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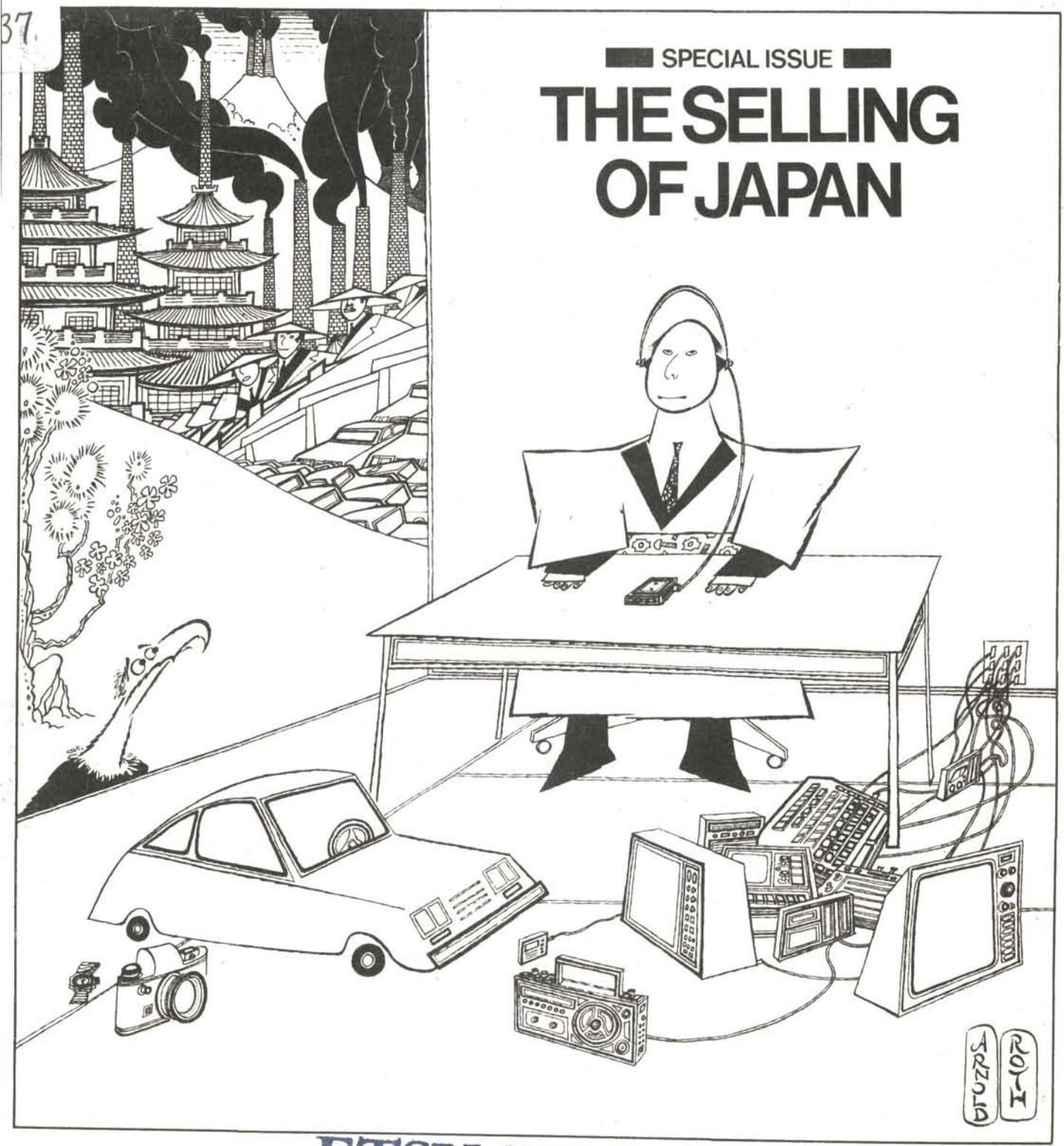
The Nation.

February 13, 1982 $1.25

SPECIAL ISSUE

THE SELLING OF JAPAN



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LETTERS.

PRAISE FOR 'SAMIZDAT'

Los Angeles

The Nation article "A Nuclear *Samizdat* on America's Arms Race" by Roy A. Medvedev and Zhores A. Medvedev [Jan. 16] is so arresting that I have recommended it to the members of the California Peace Network in San Francisco, as well as to the members of The Alliance for Survival Coalition in Los Angeles.

Most articles on nuclear madness deal with numbers; this article is superior in that it sticks to ideas and dates. It should make an excellent discussion piece for classrooms as well as neighborhood groups.

Buyers of this back issue also make a contribution to the magazine that is the favorite of many farsighted readers. Long may *The Nation* wave! *David Seidman*

HIRING (?) THE HANDICAPPED

Princeton, N.J.

I recently received a letter from the father of a Down's syndrome child drawing my attention to the use of retarded persons to clean up the abandoned houses near Love Canal. Robert Roth, the father, thought I would be interested because of my discussion of equality in a book review in *The Nation* ["Forgetting Who Are 'The People,' " May 2, 1981].

In "On the Use of Retarded Persons," an article that appeared in the San Francisco-based journal *Not Man Apart*, Larry Hunt reported that in an attempt to refurbish an image tarnished by "the presence of the infamous Love Canal disposal site," Niagara Falls, New York, has begun a project to "improve the grounds of the houses which were abandoned by residents when high levels of very toxic chemicals were found to have leaked from the disposal site to their lots." The cleanup work was "offered" to individuals who have cerebral palsy or are mentally retarded. Such individuals, of course, have few prospects for employment, and are more susceptible to exploitation and abuse. As Roth wrote in his letter, "The invitation to retarded and physically handicapped people to do this potentially hazardous and certainly undesirable work is symptomatic, and may be taken as symbolic, of the treatment of handicapped persons by our society generally. Retarded and physically handicapped citizens are routinely denied meaningful social, residential, educational and employment opportunities. They are capable of experiencing and achieving most, and perhaps all, of what is best and most important in humanity; yet inhumane and degrading conditions are forced upon them." Degrading or dangerous work is one such condition. According to Hunt, "No tests have been conducted nor are any tests planned to assure that significant levels of toxic chemicals are not inhaled or absorbed by individuals working on the site."

This sorry affair reduces handicapped people to the status of instrumentalities; it implies that the suffering they may experience as a result of exposure to toxic wastes is of less consequence than the suffering of "normals." Once again, those the society shunts aside are made to bear the costs of irresponsible corporate and civic power. *Jean Bethke Elshtain*

REVOLUTION HARASSED

New York City

Despite a continuous flow of new radical literature and no shortage of demand, the one small string of bookstores across the country that openly calls itself Revolution Books has, in all its locations, fallen under threat of eviction on what seem to be trumped-up charges.

There have been six evictions and eviction attempts in little more than a year. In December 1980, the Berkeley, California, store was evicted by police; in May 1981, the Boston store was evicted; in New York City, the bookstore fought eviction attempts in December 1980 and July 1981; the Seattle store was evicted, after a long court fight, in October 1981; and now, the New York City Revolution Books, at 15 East Thirteenth Street, again faces eviction.

It's hard to know what kind of pressure the landlords of the bookstores' buildings have come under. Of course, a landlord has certain rights in choosing a renter—but this is not at issue. All the landlords initially chose to rent to the bookstores, but later, sometimes within weeks and without any clearly stated reasons, changed their minds. On the face of it, it looks like a case of political harassment.

Living under threat of eviction, a bookstore can't order books because it does not know if it will be there to receive them. Its funds are strained by legal costs, and time that would be spent building business and becoming part of the community goes instead into fighting for bare existence; months may pass before a bookstore can be relocated.

Of course, it may be naïve to think it is the books that are causing the trouble. Revolution Books is associated with the Revolutionary Communist Party, and if the word "revolution" offends some people—police or landlords—the name of the associated party will also do so (to say nothing of the name they chose for an extremely interesting event they helped organize recently: "Mass Proletarian War Crimes Tribunal of U.S. Imperialism"). It must be said that they are sometimes flagrantly provocative. Indeed, that is their point. In their choice of names for organizations and activities they are not trying to provoke repression; they are trying to provoke the rest of us to think.

Books and bookstores must be defended. The Thirteenth Street Revolution Books, besides carrying the works of Marx, Engels, Lenin and Mao and a collection of socialist and Third World periodicals and pamphlets, has a full complement of significant books of nonfiction, fiction, poetry and popular science. Let the people read! *Edward Nell*

PROXMIRE NO LIBERAL

McLean, Va.

I am outraged at your casual description of "liberal Wisconsin Senator William Proxmire" in your editorial "Blitzed Again" [*The Nation*, Jan. 23]. We're paying millions of dollars more for dairy products because of this Senator's intransigence regarding dairy supports. He's the one with the gall to give "Golden Fleece" awards, often in ignorance. He has personally wasted far more money than all of his so-called "Fleece" awards have ever uncovered. And now *The Nation* has the nerve to use the word "liberal" as though it automatically applied. For Senator Ted Kennedy, yes, but Proxmire—ugh. *Herbert B. Bain*

REPLY

As our editorial demonstrates, we do not always agree with Senator Proxmire. We nevertheless regard him as a liberal, although given the performance of some liberals in recent times, we readily concede that the word is not an automatic accolade. —The Editors

UNFIT TO PRINT

Cranford, N.J.

On Saturday, January 23, both *The New York Times* and *The Newark Star-Ledger* reported the release of four Americans who had been imprisoned in Cuba on drug and illegal entry charges. Their release followed what was described as a "cordial, frank and cooperative" discussion between Fidel Castro and a bipartisan group of Congressmen acting on their own, without the support of the Reagan Administration.

Both *The Times* and *The Star-Ledger* accounts were based on a United Press International dispatch, datelined Miami. What *The Star-Ledger* published that *The Times* did not, however, included:

(*1*) Representative Hamilton Fish Jr.'s expression of gratitude to Castro. "I would like to express my great pleasure in the response to our overture by the Cuban government," Fish said.

(*2*) The hope expressed by one prisoner that their release would signal "further cooperation with the Cuban government so that other prisoners can be released."

(*3*) The prisoners' statement that they had not been mistreated in Cuba.

"All the News That's Fit to Print"?

Herman Lieberman

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EDITORIALS.

America's Japan

An evil dream comes oftentimes to those who love Japan: the fear that all her efforts are being directed, with desperate heroism, only to prepare the land for the sojourn of peoples older by centuries in corporate experience; that her thousands of miles of railroads and telegraphs, her mines and forges, her arsenals and factories, her docks and fleets, are being put in order for the use of foreign capital . . .

—Lafcadio Hearn

Nearly eighty years ago, Lafcadio Hearn, a prominent literary interpreter of Japan to the West, warned of the threat that industrialization posed to his adopted country's most cherished values, and expressed his fears of intervention by the Western colonial powers.

Now Japan is an awesome industrial power, and it is the nations of the West that are having evil dreams. Even without the mounting trade deficits and the galloping decay of America's industrial base, there would be cause for concern in this country. Japan has thrust itself into world leadership in manufacturing technique, especially in industrial sectors that are ticketed for growth in the next decade. Its labor-management harmony, the high productivity of its workers, the quality goods turned out by its industries and the smooth cooperation between government and business are legendary.

In American corporate circles the Japanese economic miracle is viewed with a mixture of fear and envy. The bookstores are flooded with titles purporting to reveal the secrets of Japan's success. From every quarter we are urged to adopt some feature of the Japanese model. Few of the proselytizers for the new Japanese gospel, however, pause to ask whether the model is applicable to the United States—or what implications it has for American society. Moreover, the debate so far has largely been conducted in the upper reaches of business, the media and academe. To the Detroit auto worker negotiating give-backs with management, the

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Japanese model is a car that has caught on with American consumers and may cost him his job. He wants protection—and perhaps protectionism. But his views go unheard while the nationalists and free traders within the business community joust for economic advantage. John Connally, the white knight of the "fair traders" in the last election, can hardly be said to be a champion of blue-collar workers and the poor, who have felt most keenly the impact of Japan's competitive success.

It is time for the "Japan debate" to be opened up to the rest of us. Otherwise, America's response will be determined by the clash of powerful interests whose concern for the public welfare is negligible. We offer this special issue on "The Selling of Japan" in the hope that it will provoke a wider debate while shattering some of the myths about Japan now in circulation.

The dangerous dissonances created by the present clash of corporate elites are described in Thomas Ferguson and Joel Rogers's article. John G. Roberts, a veteran Far East hand, traces the role of American Occupation policies and, more important, the midwife's role played by American conservatives in the birth of a new *zaibatsu* state. Bruce Cumings catalogues the metamorphoses of Japan's image in the West and contrasts current bogies with Japanese realities. Similarly, Kathleen Molony casts a skeptical eye on the myth of the contented Japanese worker happily hi-hoing the company song as off to work he goes. Jon Halliday describes the various pressures that are pushing Japan inexorably into greater defense spending. And Christopher Hitchens provides an account of a colloquy in Cambridge that reflected the ambivalence in current establishment thinking about Japan.

Here, then, is *The Nation*'s own opening to the East. We hope we have let some fresh breezes and new light into a room that has been shut up too long.

The Gaffe-er

"Watch what we do, not what we say," former Attorney General John Mitchell used to advise the press. That's good advice for the Reagan Administration.

The Great Communicator has got himself in trouble lately by his embarrassing habit of saying things that are not true, but more troubling than these gaffes, or "misstatements," as the new euphemism has it, are the Mitchell-esque examples of Reagan's saying one thing while doing the opposite. We are not referring to routine and predictable violations of campaign promises, such as the pledge to "defend the integrity of the Social Security System" or abolish draft registration. We mean major pronouncements of policy.

For example, the President recently affirmed his "determination to have an open Administration" even though he has established unprecedented rules governing when officials may talk to the press, has used lie-detector tests in an effort to plug leaks in the Defense Department, has authorized the classification of just about everything short of the time of day, and has attempted to destroy the Freedom of Information Act.

He declared that the safety net of government programs to protect the truly needy would be left intact even though his slashes in those programs left it in tatters. He announced his support for human rights abroad and his outrage at military rule in Poland—and certified to Congress that El Salvador's murderous junta is making progress on human rights. He declared himself opposed to racial discrimination "at every fiber of my being" even though he proposed a tax windfall for segregated private schools and his Justice Department favors requiring proof of intentional discrimination in voting-rights cases—something that it is almost impossible to obtain. He said he wanted to get government off our backs even though the executive order he signed into law last December authorizes vastly increased government snooping into the political activities of American citizens and the antiabortion legislation he supports would permit governmental intrusion into intimate decisions.

After noting that there were "twenty-four full pages" of classified ads in the Sunday *Washington Post*, the President said at his January 19 press conference that "what we need is to make more people qualified to go and apply for those jobs, and we're going to do everything we can in that regard." What he is doing, of course, is slashing job training funds and curtailing job placement centers and CETA programs. He evokes an America of small farmers and merchants even though his policies are designed to benefit agribusiness and large corporations; he opposes regulation in the name of competition while he promotes corporate mergers.

With this record of inverse relationship between his word and his deed, is it any wonder that when Reagan declares his intention to work for peace, sensible people the world over head for cover? Paraphrasing Mitchell, Reagan implored the press not to "judge us by our mistakes—I'm probably going to make more of them. But judge us as—how well we recover and solve the situation." From mistakes that threaten nuclear war, however, there is no recovery.

A Curious Case

Having certified that El Salvador is making human-rights progress [see editorial, "False Progress," *The Nation*, February 6], President Reagan must now make similar findings regarding Argentina and Chile if arms aid to those countries is to continue. In the case of Chile, he must also certify that it "has taken appropriate steps to cooperate to bring to justice by all legal means available in the United States or Chile those indicted by a United States grand jury in connection with the murders of Orlando Letelier and Ronni Moffitt."

Last December, two weeks before President Reagan signed the foreign aid bill imposing conditions on aid to these countries, the Supreme Court of Chile handed down a curious decision. The court reversed the Chilean Martial Court's acquittal of three officials of DINA (the former

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name of the Chilean secret police agency), Gen. Manuel Contreras, Col. Pedro Espinoza and Capt. Armando Fernandez Larios. The three had been indicted for the murders by a grand jury in Washington, D.C., but Chile refused to permit their extradition to the United States.

The Supreme Court's decision was unusual in that Israel Borquez, its president, participated, even though he does not normally do so. Borquez is a close associate of the members of Chile's ruling military junta. Another member of the five-man panel was the prosecutor-general of the army, Fernando Lyon. Both joined the majority in the decision which was announced at the first hearing of the court's 1982 term.

In reversing the Martial Court's ruling, the Supreme Court said, "The innocence of the accused is not clearly established." Technically, this means that new evidence may be presented until 1991, fifteen years after Letelier and Moffitt were murdered in Washington, D.C. But this is a hollow gesture, since there are no current proceedings against the three. The case remains only theoretically open. Thus Carlos Cruz Coke, a lawyer for one of the defendants, was right when he told the Chilean magazine *Hoy*, "The judgment [of guilt] in the Letelier case is ended with this temporary dismissal. The highest tribunal did not order new formalities to be transacted, which would indicate that the investigation is totally washed up."

Although there seems little doubt that the President will duly certify that Chile is doing what it is not, we urge the growing opposition in Congress to the El Salvador finding to continue to raise a ruckus. It may be true that the foreign aid law permits no challenge to certification, but the now-obvious hypocrisy of the process provides an opportunity to rally public opinion against further aid to dictators.

Nation v. *Haig*

The trial of *Harper & Row and Reader's Digest* v. *The Nation* has been recessed after testimony by both sides. Expert witnesses called by *The Nation*, which is being sued by the two publishers (they charge copyright infringement in connection with a 1979 article the magazine published on Gerald Ford's pardon of Richard Nixon that quoted from Ford's forthcoming memoirs), eloquently affirmed the importance of news and the free flow of information in our society. While a decision in the case is still months away, we can report victory on another First Amendment front. On January 26, under pressure from a lawsuit brought in the U.S. District Court in Boston (*The Nation* v. *Haig*), the U.S. government instructed the Customs Service to stop impounding the magazine *Granma* and other Cuban publications and publications from Cambodia, North Korea and Vietnam as well [see "Information Flow," *The Nation*, August 8-15, 1981].

The suit was brought on behalf of *The Nation* and other concerned groups and individuals by the Center for Constitutional Rights, the American Civil Liberties Union, the National Lawyers Guild, the National Conference of Black Lawyers and the Constitutional Litigation Clinic of the Rutgers Law School. There were nearly 100 plaintiffs in all, including *The Progressive*, *The Black Scholar* and *Monthly Review*.

This belated and grudging recognition of the First Amendment by the government is a clear victory, but it is only partial. The regulations requiring that foreign publications be licensed for import are still on the books, and the government has halted only the impoundment of subscribers' copies. The Treasury Department has issued import licenses to the major media, universities, libraries and scientific organizations, but according to the new instructions, "any such importation of more than single copies shall be detained until it is established that the importation has been licensed by the Office of Foreign Assets Control."

The Reagan Administration is fond of berating the Russians for violating the Helsinki Accords, yet Principle VII of those accords requires signatories to observe the Universal Declaration of Human Rights, which affirms the right "to seek, receive, and import information and ideas through any media and regardless of frontiers." It's a shame that it takes the threat of a lawsuit to make our government practice what it preaches.

THAT'S ENTERTAINMENT

Our show biz correspondent writes: Following its smash propagandizer "Let Poland Be Poland," the U.S. International Communications Agency, producers of the ninety-minute spectacular, which scored with a 50 audience share in the Kremlin, plans to make a series of shows employing the "Let ____ Be ____" format. I.C.A. exec Sheldon Grebe said his agency hopes to package the shows for early spring viewing on the nets. Already on the drawing board is "Let El Salvador Be El Salvador," which will highlight the present government's efforts to nix a Red takeover. Salvadoran President José Napoleón Duarte has been inked to host the spec, which will tout the country's upcoming presidential elections with appearances by opposition candidates wearing masks to prevent retaliation by the junta. Death's Head, a popular Salvadoran group, will also perform, and Grebe is trying to line up Maggie Thatcher to sing "Don't Cry for Me, Argentina."

Other program ideas now being kicked around by I.C.A. include "Let South Africa Be South Africa," "Let Namibia Be Southwest Africa," "Let Nicaragua Beware" and "Let Kampuchea Be Cambodia." In a related development, comedian Jerry Lewis announced he was planning a telethon for Eastern Europe. Lewis had previously canceled a fund-raiser to pay off Poland's national debt—reportedly because he was miffed when the Administration got into the act by juggling a law so that the Commodity Credit Corporation could reimburse U.S. banks for an overdue interest payment.

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UNCIVIL LIBERTIES.

CALVIN TRILLIN

"I don't like the sound of those drums, dear," Edgar said. "I think we should go back to the hotel."

Their guide turned to face them. "You be coming with me, kind mister," he said. "You be seeing real voodoo economics ritual. No touristy stuff. Plenty supply side." The guide nudged Edgar in the ribs with his elbow, and said in a softer voice, "You be seeing swollen bureaucracy turned into nude federalism, my mister."

"You mean *New* Federalism," Edgar said.

"Don't quibble, dear," Emily said, gesturing for the guide to continue down the winding dirt path they were following. "You can't just sit in the hotel all day reading John Kenneth Galbraith."

The guide continued toward a thick grove of trees—gnarled trees of surpassing weirdness their limbs heavy with ticker tape.

"I simply don't like those drums," Edgar said. "It sounds like someone's beating the hustings. And listen to that chant!"

In the distance, the sound of voices grew louder and louder. "Voo-doo, voo-doo—trickle, trickle, trickle, trickle," the voices droned in a rhythmic chant. "Voo-doo, voo-doo—trickle, trickle, trickle, trickle."

"Isn't this all simply fascinating?" Emily said, picking her way around a pile of discarded water and sewer grants. "I hope the ceremony's not too bloody, though. Thelma and Harry said that when they went last year the sorceress just used some leftovers from the hot-lunch program for the gris-gris. Some people at their hotel said they heard that she could change two helpings of broccoli into an aircraft carrier."

"Voo-doo, voo-doo—trickle, trickle, trickle, trickle," the voices chanted. "Voo-doo, voo-doo—trickle, trickle, trickle, trickle."

"I don't like it I tell you," Edgar said. "It gives me the creeps. And why does our guide look so much like an oil company lobbyist?"

The guide turned to face them on the path, his eyes darting from side to side, his lips curled in a slight smile. "You be seeing real stuff, my fine sir," he said. "You be seeing too, my kind young lady. Magic! White magic! Lily White Magic! You be seeing less make more, and machine tools depreciate lightning fast before your eyes, quick-quick."

"But what's that awful smell?" Edgar asked.

The guide began to cackle. "We be cooking the figures, mister," he said, shaking with mirth and rubbing his hands together. "Heh, heh, heh, heh. We be cooking hell out of the figures. Heh, heh, heh, heh, heh."

They had reached a clearing in the grove of trees, and the chant now seemed nearly deafening. "Voo-doo, voo-doo—trickle, trickle, trickle, trickle. Voo-doo, voo-doo—trickle, trickle, trickle, trickle."

"You be seeing now, kind mister," the guide said. "You be seeing now poor folk bounce on safety nets. You be seeing rich folk bounce on poor folk. You be seeing this too, my kind young lady."

The chanters had reached the clearing. They were wearing hooded robes of polyester. As they stood at the edge of the clearing, their chant changed: "Two-four-six-eight—what shall we depreciate?" Then one of the robed figures stepped out from the chorus, slowly walked toward the center of the clearing, violently twisted back in his own tracks at a grotesque angle, and fell, writhing, to the ground—presumably having displaced a vertebra or perhaps even broken his back. Edgar and Emily watched in horror as one chanter after another followed the bizarre ritual.

"They be walking the Laffer curve, kind young lady," the guide said, noticing the look of distress on Emily's face.

"Those poor men!" Emily cried.

"Not for you being worried, kind miss," the guide said. "They be suffering only short-term displacement."

"I'm not so sure I like this," Emily whispered to Edgar. "Maybe we should just go back to that recreation area at the hotel and try to balance the budget on the backs of some American taxpayers. Thelma says it's not that hard once you get the hang of it, except she kept slipping off the rich ones."

Just then, a new group of chanters entered the clearing, moving in a sort of jazz rhythm. Gyrating in a way that made Emily blush, they shouted, "Trickle down, trickle down—let's go to town and trickle down!"

"I'd like to go now, Edgar," Emily said, but at that moment the voodoo sorceress appeared.

"There she is!" Edgar said.

"That be her, nice people," the guide said. "Now you be seeing her stick pins into neo-Keynesian dollies, kind missus."

"Why is she wearing an Adolfo gown?" Emily asked.

"You be watching, good people," the guide said. "She be sacrificing chicken and giving back the gizzard to poor folk on strictly volunteer basis."

The chorus now began hauling some sort of idol on wheels into the clearing.

"It's a Trojan horse," Edgar said.

"There be the chicken now, kind mister," the guide said.

"That's no chicken; that's a Trojan horse," Emily said, as the sorceress slit open the belly of the horse and tax breaks for the rich began to pour out.

"Nice fat chicken it be," the guide said. "Lucky poor be getting nice fat gizzard."

"Let's get out of here, Edgar!" Emily said.

"Furthermore," the guide continued, "a deregulated oil and natural-gas industry assures all Americans a dependable energy supply within the framework of traditional American free enterprise."

"Jesus Christ!" Edgar said. "He *is* an oil company lobbyist!" Edgar grabbed Emily's hand, and they scrambled toward the path.

"It be nice chicken," the guide shouted after them, having quickly fallen back into his role. "Voodoo be bringing chicken in every pot, two cars in every garage."

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ARTICLES.

MANUFACTURING DISASTER

The Great Japan Debate

THOMAS FERGUSON AND JOEL ROGERS

For a generation, unresolved trade, defense and foreign policy conflicts have been storing dynamite beneath the surface of U.S.-Japanese relations. In the late 1950s, the first flood of Japanese steel and other exports pouring into the West Coast provoked outraged cries from American producers and labor unions, and military agreements between the two governments triggered widespread rioting in Japan. Tensions mounted steadily during the boom years of the 1960s, as the U.S. market absorbed an ever-widening array of Japanese manufacturing and consumer goods. They became dramatically visible in the early 1970s after the Nixon Administration's surprise opening to mainland China and its famously protectionist New Economic Program. Nixon's actions stunned the Japanese, precipitating a crisis in U.S.-Japanese relations whose containment required an unprecedented mobilization of multinational elites in both countries. Since the two great Nixon *shokku*, however, most of the forces driving a wedge between the United States and Japan have grown stronger. Now, as planeloads of increasingly grim-faced businessmen, journalists and government officials from both countries crisscross the Pacific, warning about the consequences of rapidly worsening relations, it is clear that an explosive day of reckoning for the United States and Japan may finally be at hand.

In the United States, these accumulating pressures have set off a torrent of discussion. While no simple summary of the emerging "Japan debate" can exhaust its complexity, most analysts agree on the major issues. Virtually everyone, for example, acknowledges that Japanese manufacturing strength is overwhelming many important industrial sectors in the United States; the only disagreements are over the extent of the carnage and the seriousness of the threat to particular industries. And almost everyone agrees that Japan's nontariff barriers to trade with the United States are high, although there is dispute over which plays a greater role—cumbersome customs and inspection procedures or the more formal restrictive practices. There is also virtually unanimous agreement that Japan spends a disproportionately small percentage of its gross national product on defense, in effect enjoying a free national-security ride at American expense. And many think that Japanese expenditures on nonmilitary foreign assistance are inadequate.

But while most American observers are of one mind about the major sources of friction between the two powers, there is much less agreement on what to do about them.

Some policy initiatives are relatively uncontroversial. While they may not have thought through the long-term consequences of encouraging the Japanese to rearm, all significant segments of elite American opinion, from Senator Jesse Helms to Secretary of Defense Caspar Weinberger, agree that the Japanese should be pressured to spend more on defense, thus taking some of the international security burden off the United States and weakening Japan's economy. And while this sentiment is often accompanied by the fear (only rarely expressed) that Japan's enhanced regional role might complicate our relations with the People's Republic of China, the Soviet Union and the rest of Asia, a consensus is forming that Japan should be pressed to contribute more nonmilitary assistance to South Korea, Thailand and other nations in the area. It is clear, too, that scarcely any American interest objects to the Administration's unheralded attempt to mobilize the Organization for Economic Cooperation and Development (O.E.C.D.) to limit Japanese subsidies to its growing high-technology industries. Nor will objections be raised to future attempts to shoehorn more American exports into Japan.

But on the crucial issue of American imports from Japan, U.S. opinion is sharply divided. Both the shape of ultimately desirable policy and amount of pressure to be applied to the Japanese are in dispute. Once again, the business community's response to a major policy issue is split between those firms and industrial sectors that can compete in a global economy and those that cannot.

The Protection Controversy

As has been the case for more than a generation, the top priority of American commercial bankers, multinational firms, grain companies and most (though perhaps no longer all) investment bankers, along with the elite media, the big foundations and parts of the Reagan Administration, is the protection and expansion of a liberally structured world economic system. Although the *mounting trade imbalances* between the United States and Japan are thinning their ranks and driving many to endorse "temporary" trade restrictions (in the hope of heading off deeper and permanent constraints), these groups still hew as closely as possible to the path of international cooperation and free trade. They are perfectly willing to pressure the Japanese to open their product and capital markets, to facilitate the selling of American services (like banking services) to Japan and to sell that nation more coal and Alaskan oil (which, if the relevant restrictions in the Export Administration Act of 1979 were rescinded, would immediately reduce the U.S. trade deficit by several billion dollars, as well as provide huge profits for Exxon, Sohio and Arco).

At home, they are happy to join calls to build up America's export capacity and international competitiveness through enhanced productivity, increased savings and greater investment in research and development. But they are strongly opposed to slamming the trade door shut. (Representative of this business faction were the so-called "Wise Men" of the recent Japan-United States Economic Relations Group, an association that brought together American businessmen and

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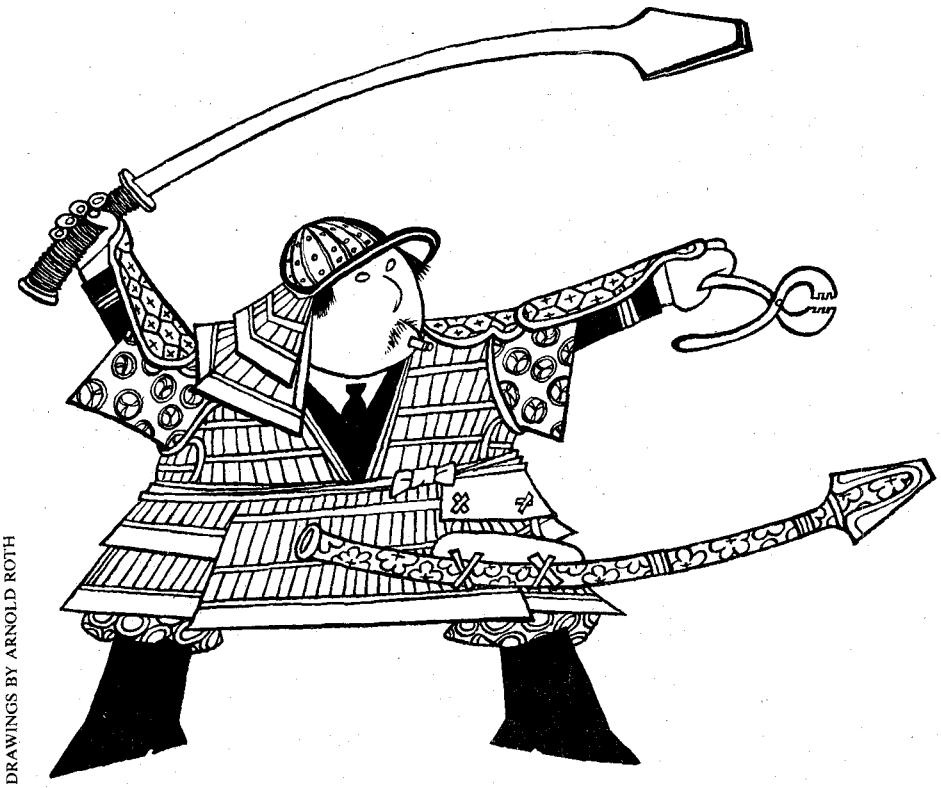
academics with close ties to Japan and their Japanese counterparts. Members included such luminaries of the multinational community as Edson Spencer, the chief executive of Honeywell, a firm with several Japanese subsidiaries, Akio Morita, the chairman of Sony, and, until his elevation to the presidency of the World Bank, Bank of America president A. W. Clausen.)

By contrast, businessmen and workers in weak sectors of the economy like the automobile industry find the theoretical benefits of free trade outweighed by the urgent need to block the foreign competition that is displacing them. For them, in the end neither increased exports nor the union givebacks and other labor concessions now being generated by the pressure to compete with the Japanese will be enough. They want protection, and they want it now.

Following a Cabinet shuffle, the Japanese government has recently promised to raise defense spending, encourage imports from the United States and investigate more "orderly marketing agreements" to govern trade with America. If implemented, such proposals would alleviate some of the pressures on U.S.-Japanese relations, but there are reasons to doubt that they will ever be fully executed. Domestic pressures may force the Liberal Democratic Party government to drag its heels on increasing defense spending. Promises to boost imports may be worth little more than the year-old agreement on Nippon Telephone & Telegraph's closed-bidding practices, which after all the hubbub yielded only minuscule contracts for American suppliers. The orderly marketing agreements may end up like the recent automobile agreement, which posed limits on the number of Japanese cars to be sold in the United States, but not on the prices of those cars. Since the agreement, Japanese manufacturers have upgraded the automobiles sold here, thus avoiding much of their prospective loss by merchandizing higher-priced models, while the collapsing U.S. car market permitted an increase in Japanese market share over that envisioned at the time of the agreement.

If future agreements turn out as badly, the Reagan Administration will be forced to act, and the Japan debate will reach fever pitch. It will be urgent at that time to understand how that debate, while not entirely irrelevant, has systematically failed to identify those issues in U.S.-Japanese relations most critical to public welfare here. It will be important to recognize that rather than posing a threat in itself, the Rising Sun mercilessly illuminates major problems in American social structure and political process. Only then will it become clear that at the crux of the "Japan problem" lies the controlling paradox of U.S. domestic politics in the 1980s: growing misery for the working population amid considerable overall economic strength. Understanding this paradox, however, requires a more nuanced view of America's position in the world economy than that popularized by the Japan debate.



DRAWINGS BY ARNOLD ROTH

Declining America?

Many participants in the Japan debate have correctly highlighted the importance of the diminished American position in the global economy. Often, however, these critics convey the impression that the entire competitive position of the United States is in immediate jeopardy. Nothing could be further from the truth. American positions in agriculture, many raw materials (coal, for example, exports of which will certainly grow), some manufactures (notably aircraft, although that industry is becoming increasingly competitive) and service industries like banking remain tremendously strong. While the huge amount of oil that the United States will probably import throughout the rest of the century will severely strain the balance of payments, there is no chance that America will be left with nothing to sell to the rest of the world.

Equally misleading are related assessments of declining industrial sectors and lowered productivity and manufacturing growth in the domestic economy. Especially in the context of relations with Japan, it is vital to recognize that important new industries continue to emerge in the United States. In the fields of telecommunications, information processing and biotechnology, revolutions are under way—high-technology revolutions in which America is almost certain to lead, rather than lag behind, Japan. As a consequence, while U.S. aggregate growth figures may not be spectacular in the coming years, only a financial collapse could prevent some measure of real economic growth in the 1980s.

But if the overall economic position of the United States will survive any likely challenge from Japan Inc., the same cannot be said for the American standard of living. For Japan, together with several Third World countries, which are themselves challenging Japan in some important sectors, has definitely surpassed the United States in most of the basic industries that have until now made up the core of its in-

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dustrial power. It will be Japan, supplemented sometimes (as in textiles and steel) by other countries, which will henceforth produce the radios, appliances, cars and other goods that were once made in Buffalo, Detroit, Gary and other U.S. industrial centers.

Surplus Workers

By itself, this historic shift would make for a first-class disaster in the United States, for it is apparent that most of the workers in these older industries cannot hope to find employment in the expanding high-technology sectors. Telecommunications, biotechnology and other such fields simply do not need that much labor. Indeed, a good deal of the information-processing revolution is about doing far more work with far less labor, as the growing interest in industrial robots (a Japanese specialty) shows. Nor will displaced production workers find much consolation in the mostly low-wage service and other auxiliary jobs that even a completely Japanese-dominated auto or appliance industry would require, or in the other generally low-paying service employment that might be opened up by the press of vast ranks of the unemployed on existing wage structures. In addition, the pressure on these workers will be greatly increased by the reduction of white-collar and secretarial employment attending the spread of the "office of the future," the slowdown in government employment and last, if scarcely least, the arrival of vast numbers of Mexican immigrants.

Disastrous as they are, these trends in the domestic economy will be exacerbated by the Reagan Administration's bundle of tax, fiscal, monetary, defense and regulatory policies. As Japanese imports eliminate more and more manufacturing jobs in this country, Reagan's cuts in spending for Federal programs will leave workers with no place to turn for long-term assistance. The high interest rates that are the inevitable accompaniment to the Federal Reserve System's tight-money policies will accelerate the decline of America's industrial base by making expenditures for modernizing plants prohibitive. The shift to more defense spending will bid away labor and other resources from firms trying to compete with the Japanese and generally bleed the civilian economy, opening production gaps that will be filled by yet more imports.

Nor will the celebrated supply-side tax cuts help. Coupled with the choking effect that high interest rates have on investment, accelerated depreciation schedules and other tax write-offs will probably hasten the abandonment of the old industrial base without providing compensating rises in employment from new investment. And the expected deregulation of natural gas will send producer costs soaring throughout the Middle West and the Northeast.

Possible Countermeasures

Were the Japan debate addressed to meeting the needs of the whole population, any number of useful measures might be contemplated to alleviate or even to surmount the Japanese threat to the American industrial and employment base. The tax system, for example, could be redesigned to encourage exports, even within the limits of the international agreements to which the United States is already party. The government could begin applying some of the same standards to multinational enterprises that many Third World countries do, driving harder bargains and retaining a bigger share of such benefits as exist for the United States. Formalizing through legislation what it is already doing informally with Japanese car companies, the government could insist that sellers in the American market set up factories here or otherwise act to preserve the value added to the goods they make by American production processes. Similarly, the United States could manage its public oil and mineral holdings with the same concern with which OPEC nations superintend the exploitation of their oil reserves.

Even more important, the Japan problem could be attacked at its source. The demand-restriction policies pursued by most postwar American administrations could be replaced by policies that explicitly sought full employment and economic growth as part of a coordinated national economic strategy. Under such an approach, imports would simply mean lower prices, not the ruin of entire regions of the country.

Public policy debate does not proceed in a vacuum, however. Given the current structure of American politics and power, we need no Metternich or Machiavelli to discern the improbability of such responses or discussion. A high-salience debate over employment and national economic policy, for example, is the last thing desired by multinationalists in either the United States or Japan. Whatever effect higher employment would have in reducing pressure against imports, such a debate would inevitably linger over the critical role that the unrestricted mobility of capital across regional and national boundaries plays in the U.S. economy. Public examination of this first principle of multinationalism would be anathema to the business and other elites that interlock on the boards of organizations like the Trilateral Commission, the Japan Society, the U.S.-Japan Foundation, the Japan-U.S. Friendship Commission and Washington, D.C.'s Japan-U.S. Culture Center, as well as to the American consultants and lobbyists for the Japanese, a list of whose names takes up forty pages in the attorney general's 1980 report on administration of the Foreign Agents Registration Act.

For these successful multinationalists, who profit from the lower inflation rates produced by American demand restriction and who enjoy the increased purchasing power afforded by Japanese imports, the preferred solution to the Japan problem will remain the same: the familiar calls for cooperation on defense and energy policy, a continued lowering of barriers to the free flow of capital and goods, increased productivity at home and steady pressure on those wage earners in the United States who are employed in industries competing with the Japanese to expect less and less. (The artistic and cultural exchanges between the two countries lavishly promoted in recent years will presumably continue.)

But if those who would benefit from a continuation of present policies toward Japan can hardly be expected to bite the hand that so generously feeds them, what can be expected of the losers, the workers and businessmen who will be squeezed out?

For workers, the situation is truly grim. The increasingly desperate state of organized labor is obvious, as is the fact that labor is best organized in those industries that are most threatened by Japanese competition. Indeed, as the trend toward Japanese manufacturing superiority plays itself out, if labor fails, as it has thus far, to make compensating gains among service and other workers, organized labor will virtually disappear as a force in American public life. Equally obvious, however, are all the limits on the willingness and the ability of unions to act effectively on the Japan

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issue. A few important labor leaders, like International Ladies Garment Workers president Sol (Chick) Chaiken, are themselves part of the multinationally-dominated U.S.-Japan network. (Chaiken, who reportedly harbored hopes of being named U.S. ambassador to Japan upon the re-election of Jimmy Carter, serves on both the Trilateral Commission and on the advisory board of the U.S.-Japan Foundation.) Little help can be expected from labor leaders. Another obstacle is the incremental nature of the Japanese threat. New imports do not flow into the United States in one giant, undifferentiated flood; they come in separate streams that imperil one or a few industries at a time. Such "salami tactics" make it easy to pick off unions one by one, especially when they are coupled with carefully nourished illusions that the problems of severely decayed U.S. industrial sectors are only temporary—that, for example, the auto industry will "come back" in full force in a few years' time.

More critically, unions are not structured like broad-based political parties but are concentrated in specific parts of the American industrial machine. Accordingly, the natural response of powerful unions (weak ones simply disappear) is to seek piecemeal protection for themselves, a strategy whose consequences are almost invariably disastrous both for the public welfare and, eventually, for the labor movement itself. The "protection" thus afforded shields only a small percentage of the work force (mainly those with seniority), along with the union leadership, since such unions rapidly become the objects of deep resentment as the protected industry inevitably shrinks and the underlying sources of its weakness remain untouched. Everyone else is thrown to the wolves, or urged to move to Texas. Such unions rapidly become the objects of deep resentment, as the costs of "protection" are shifted haphazardly onto consumers (that is, other workers), who end up paying higher prices for inferior products, and onto successful businesses that lose resources inefficiently deployed in the failing industry. (The conjunction of the piecemeal character of this effort and its haphazardness should be emphasized. Were protection embraced as part of an explicit national economic policy to promote employment and growth, the government could compensate those whose jobs or businesses were eliminated and prevent enterprises past all hope of revitalization from forever wasting resources. In the absence of such a concerted effort, piecemeal protection is probably the worst of all possible trade policies.)

Demand restriction's depressing effect on employment also undermines the identification of organized labor and the poor. In his recent *Witness to Power*, John Ehrlichman provides illuminating details on the way George Schultz (then Secretary of Labor, now a high official of Bechtel, a director of the Council on Foreign Relations and prominent adviser to Reagan) played off black groups against construction unions during the Nixon Administration. High unemployment insures that blacks, women and other notoriously underpaid portions of the work force spend their time fighting for shares of a limited job pool, rather than mobilizing to secure work for all. Mounting unemployment will also probably inspire fiercer labor resistance to automation. Where successful, such efforts will affect the general welfare in much the same way that piecemeal protection does.

The Politics of Protectionism

But if most American workers are unlikely to mount effective resistance to current trends in U.S.-Japanese relations, the same cannot be said of the other big losers under those policies: the American businessmen whose markets are melting in the heat of the Rising Sun. Ever since the early 1960s, when Republicans wrote an import-restriction clause into the G.O.P. national platform, foreign economic policy has figured importantly in American politics. Its pivotal role is particularly evident during Republican Presidential primaries, which regularly feature nationalist protectionist candidates slugging it out with more reserved figures from the free-trading "liberal wing" of the party.

Ronald Reagan, of course, emerged from just such a fight, and as we have observed in these pages and elsewhere, his Administration is sorely divided over trade policy. Since coming to power, it has often preached free trade and has taken several measures to facilitate imports, but it has also sought to protect select industries. In the always troublesome case of the steel industry, for example, the Administration first raised the trigger prices on imported steel and then, after failing to dissuade domestic producers from filing antidumping suits against their European competitors with the International Trade Commission, supported their right to sue in that venue, rather than litigating within the machinery of the General Agreement on Tariffs and Trade, the Europeans' preferred forum. In the automobile industry, the Reagan Administration negotiated an import-restriction agreement with Japanese car manufacturers (albeit a modest one), something that Jimmy Carter had refused to do for Detroit even in the face of an oncoming election. The Reagan Administration also supported a new restrictive multifiber agreement, and reportedly decided in December to toughen its stance against the Japanese.

While recent moves such as U.S. Steel's purchase of Marathon Oil may slacken some firms' interest in trade limitation, business leaders in the declining industrial sectors remain highly mobilized to fight for it. Consider, for example, the elevation of John Connally, the American political figure most prominently identified with a hard line on Japanese imports, to the board of directors of Ford.

More ominously, protectionist opposition to Japan Inc. is also likely soon to find common voice with military and national-security elites. Historically, national protectionism and expansionist militarism have often come as parts of one terrible package, but elective affinities aside, it is clear that the decay of the U.S. industrial base will eventually affect American security. In a country already overly fascinated with the god Mars, the protectionists' appeal to such concerns is likely to have wide resonance, however vital the importation of electronic components from the Far East will remain for the weaponry itself.

It is in this general context of protectionist versus free-trading business elites that the current Japan debate is joined. And, as pressures mount in the coming months for some solution to the Japan problem, these will be the major forces doing battle, as they have so often during the last several decades, to decide the future course of U.S. public policy. Notably absent from the debate are the poor and the working class, whose fate will also be decided. For them, the drastic decay of mass participation in American politics, the atrophy of democratic institutions amid pervasive antistatist rhetoric and the failure to forge themselves an adequate political instrument all virtually insure a denial

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of their interests. Despite widespread hopes to the contrary, they will not be saved by Jesus, or Ronald Reagan, or supply-side economics, or the opening of refugee camps in Houston.

Indeed, the interaction of domestic elite struggle and democratic decline with the changing shape of the global economy is what the Japan problem is really about. What the puzzle denotes is the process by which, in the context of the world economy, limited Japanese sectoral supremacy will destructively interact with American domestic politics to send a tidal wave of misery to these shores. That this process has not been highlighted by the current Japan debate is wholly unsurprising, for that discussion has thus far been typical of other American ventures into Pacific mythology. As many of the finest writings on the American experience in the Far East remind us, U.S. policies toward that region, while always advertised as rational expressions of "national interest" in the face of encroaching foreign powers, commonly have more to do with satisfying powerful demands within the domestic system. Now, once again, such dynamics are at work in the shaping of Far Eastern economic policy. And once again, the search for an Asian villain only distracts from the pile-up of victims at home. □

STATE OF CORRUPTION

America and the Making of Japan Inc.

JOHN G. ROBERTS

Much of the recent outpouring of information and opinion about Japan sheds light on contemporary issues, but serious thinkers are still too dependent on platitudes and too timid about challenging dogmas or misconceptions implanted by the mandarins of postwar Japanology.

Seldom do orthodox scholars address such matters as Japan's steady retreat from the principles of peace, neutrality and democracy. Can they tell us why, after thirty years of independence, Tokyo's foreign policy must follow every hairpin turn of Washington's? By what justification is Japan still occupied by American forces—tens of thousands of personnel on some 150 bases dotting the Japanese islands? And why is it necessary for the sovereign Japanese government to lie to its own people about the nuclear weapons brought secretly to those bases? Why was political corruption encouraged by the U.S. authorities after World War II, and why has it become an inseparable part of the parliamentary system? How has a clique of conservatives managed to monopolize political power since the end of the war, and to what extent are they responsive to foreign pressure?

Several if not all of these questions are organically related to the more fundamental one of why, how and to what effect the dissolution of the *zaibatsu*—the prewar family-owned oligopolies—by the American Occupation was negated or ignored. This question must be answered, because the swift rise of successor oligopolies is the fountainhead of the problems that now beset Japan and its trade partners.

Readily available material demonstrates that the hidden cash nexus between politics and business is an essential factor in the close ties binding the Japanese and the American elites as well as their respective governments. This is a matter of more than passing significance, because the *zaibatsu* not only survived the "dissolution" but, with assistance from their American counterparts, grew much larger than their predecessors. As of 1978, the six major enterprise groups (four of which are descended from the *zaibatsu*) have larger revenues than any other private business organizations in the world.

I believe that the rebuilding of these mammoth groups under American patronage was one of the major successes of the cold war in Asia; but at the same time, it has been an extremely effective means of keeping the Japanese government subservient to American aims. Such a government cannot serve the long-range interests of the Japanese or of peoples in Asian countries now economically dependent on Japanese oligopoly. This article is concerned with the little-understood political processes by which this state of affairs has come to pass.

Postwar Reforms and the Reverse Course

When Japan surrendered in August 1945, Gen. Douglas MacArthur, nominally Supreme Commander of the Allied Powers, made it clear that the Occupation would be an American show. President Harry Truman's orders for the treatment of defeated Japan were broadly consistent with the war aims of the United States and its allies. They called for stern but just measures against those held responsible for the war, total disarmament and the democratization of Japanese society, including the economy. A major plank in this platform for a new Japan was the breakup of the *zaibatsu*.

The reform program implemented by vestigial "New Dealers" on MacArthur's staff was supported by a group of experts on Asia in the State Department known as the "China crowd." But democratization was anathema to the pro-Chiang Kai-shek "Japan crowd" in the State Department, and that clique had powerful patrons in multinational business, the military, Congress and the media. Early in the Occupation, as the cold war engulfed American politics, these bellicose elements coalesced in the so-called "Japan lobby," whose aim was to reverse the reforms already in force and restore power to the conservatives.

The explicit objectives of this "reverse course" (as revealed in official documents and correspondence) were to preserve the Emperor system, halt the fragmentation of the *zaibatsu*, purge radicals from labor and public life, arrange for the unilateral signing of a peace treaty with Japan and rearm the defeated nation promptly. An implicit aim, and surely a compelling one, was to give American investment capital a degree of control over key industries. This would insure economic (hence political) leverage, not to mention gratifying profits from Japan's anticipated economic upsurge as "the workshop of Asia" and a "bulwark against Com-

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munism" in the Western Pacific.

At the time, the conservatives were still dominant, but the future of Japanese capitalism seemed endangered. Leftist sentiments among the population were rising, and opposition parties of various stripes were gaining in strength. But because Japan, like West Germany, was being touted as a "showcase of democracy," prewar Japanese methods of repression should be avoided, the Japan crowd thought. Accordingly, it sought to devise a stable reactionary power structure that would observe the forms of parliamentary democracy while insulating the new oligarchy from the vagaries of public opinion.

What emerged was a pseudoparliamentary system in which the opposition parties had mostly nuisance value, even when commanding a majority of votes, and in which the conservatives—then, as now, a volatile coalition of factions—were manipulated by a tiny group of economic, financial and political insiders who were kept in line by inexplicably powerful "enforcers." These various behind-the-scenes operators, ranging from underworld bosses to Cabinet ministers, have been highly esteemed and used effectively by America's transnational corporations, official agencies and private foreign-policy establishment, whose interests interlock.

The system of corruption is not of America's making, however. It is essentially a revival of the prewar alliance between the *zaibatsu*, the political parties, the ultranationalist societies and organized crime that had regulated Japanese society for their mutual benefit since the 1870s. Domestically, the workings of this alliance are frequently revealed in major scandals involving government figures. Little was known about the international aspects of this corruption until the late 1970s, when the Lockheed and other bribery scandals involving aircraft procurement gave us our first glimpse of the turpitude engendered by secret allegiance to the foreign power.

Although corruption under the U.S. Occupation was exposed by a few writers, the reverse course that fostered it evoked more praise than criticism in the United States. There was thoughtful opposition by the China experts who advocated improved relations with the Chinese revolutionaries and a stiffer policy toward Japan; but after the collapse of Chiang Kai-shek's regime in 1949, the China crowd in the State Department was blamed for America's "loss of China," and nearly all the prewar specialists were transferred or dismissed. Their successors reshaped U.S. policy toward Asia into a paranoid pattern that embroiled us in two harrowing but inconclusive wars that disillusioned the American people and weakened the U.S. economy.

That policy, applauded by Japan's conservative leaders, hastened the nation's economic resurgence; but under a similar policy, they are now being asked to pay the price: full-scale military alliance with the United States in its confrontation with the Soviet Union. The Japanese are ostensibly resisting American pressure, but the disagreement concerns only peripheral matters, such as the trade-off value of an increased military budget for more favorable terms on U.S. automobile imports and the pace at which Japanese leaders feel they can push their people down the road to war without suffering political ruin. Haggling is a political necessity for both sides, but Japan's ultimate capitulation is implicit in the relationship.

The Men in Charge

The Americans who engineered Japan's postwar "reverse course" were, at the apex, the same elite bankers, industrialists, corporation lawyers and diplomats who were blocking German denazification and rehabilitating monopolists who had supported Hitler's war. Many of them were "liberals" who dominated U.S. foreign policy during Democratic as well as Republican administrations. All were eminently respectable: the Dulles brothers (Allen and John Foster) of Sullivan & Cromwell, lawyers for the Rockefellers; Douglas Dillon, William Draper, Paul Nitze and James Forrestal of Dillon, Read & Co., investment bankers with close ties to the Rockefeller interests; Averell Harriman and Robert S. Lovett of Brown Brothers Harriman; John J. McCloy, who had been kingpin of foreign affairs policy for the Rockefeller empire for half a century, and a dozen or so others of the same class who were affiliated with prominent international financial groups.

All of those named had been present at the creation of the Marshall Plan and its functional corollary, the Central Intelligence Agency. Several were later fingered by Howard Hunt in his book *Undercover* as the "power base" of the C.I.A.'s covert operations arm, the Office of Policy Coordination, of which he was a member. (In the mid-1950s, Hunt was in charge of the C.I.A.'s Northeast Asia Command in Tokyo and was shocked at the millions of dollars being paid to an unnamed "samurai"—allegedly the former chief of intelligence in the Imperial Army—for covert political operations.)

Probably the most effective instrument for reversing MacArthur's policy was the American Council on Japan (A.C.J.), established in 1948 under the auspices of the Japan lobby. One of the main functions of the A.C.J. was to propagate its ideas among influential Americans. Another was to cultivate and groom complaisant Japanese leaders and devise the means of keeping them in power.

The A.C.J. (not to be confused with the Allied Council for Japan) was headed by co-chairmen Joseph C. Grew and William Castle, prewar ambassadors to Japan. Grew was an affluent Boston relative of J. P. Morgan's, while Castle was an heir to the Castle & Cook sugar and fruit empire in Hawaii, built by Japanese coolie labor. Both had many friends among the Japanese elite and were eager to restore a strong, "moderate" government in Japan. (Grew was later chairman of the Committee of One Million to keep China out of the United Nations, whose policy Japan followed reluctantly until after President Nixon changed the signals in 1971.)

During the last months of World War II, Grew, then Under Secretary of State, virtually ran the department, and he retained a power base there after his retirement. His most trusted aide in the department was Joseph Dooman, a Japanese-born former counselor of the Tokyo Embassy and a wheel horse of the A.C.J. A key organizer was James Lee Kauffman, also an old Japan hand, whose law firm had represented most of the foreign corporations with large investments in Japan since prewar days. A strategically placed ally was diplomat Max Bishop, an adviser to MacArthur before becoming the State Department's representative on the National Security Council staff.

Active as an on-the-spot legman was Compton Pakenham, Tokyo bureau chief of *Newsweek* who had spent his youth in Japan and had a wide acquaintanceship in military, ultranationalist and political circles. In New York, the A.C.J.'s most active promoter was

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Harry Kern, *Newsweek*'s foreign editor, who had access to leading U.S. foreign policy figures. Among his sponsors and collaborators were the bankers and lawyers already mentioned, former President Herbert Hoover, Senator William F. Knowland (newspaper publisher and Kuomintang lobbyist), several retired admirals and generals, and many top-level executives of big banks and transnational corporations. Kern was especially close to Averell Harriman and the Dulles brothers, for whom he served as an indefatigable informant.*

Drawn within the A.C.J. orbit by its one-sided but seemingly authoritative reports on Japan (about which most U.S. statesmen were dismally ignorant) were George F. Kennan, policy planner of the State Department; Detroit banker Joseph M. Dodge (adviser to the Marshall Plan directorate); Secretary of the Army Kenneth Royall (a corporate lawyer), and numerous others of sub-Cabinet level in the State, Defense and Commerce departments.

The tie between the A.C.J. and the government is apparent from the close advisory relationship between Kern and the Dulles brothers. Also, there is very strong evidence that Dooman and another A.C.J. associate were actually Central Intelligence Agency operatives. The role of Kern and *Newsweek* in influencing government policy was clearly revealed in a secret memo (now declassified) concerning a propaganda operation at the end of 1947, when the pending *zaibatsu* deconcentration directive was a big issue in Japan.

After the *zaibatsu* holding companies were dissolved in 1945, there remained huge industrial, financial and commercial units around which monopolistic combines were likely to form. Among them were the major banks, manufacturing concerns and the trading companies, many of which had benefited from American investment and close relationships with American business. Critics of the deconcentration order believed that the fragmentation of these organizations would hamper Japan's recovery and weaken the foundations upon which the Japan lobby expected to erect the new conservative regime.

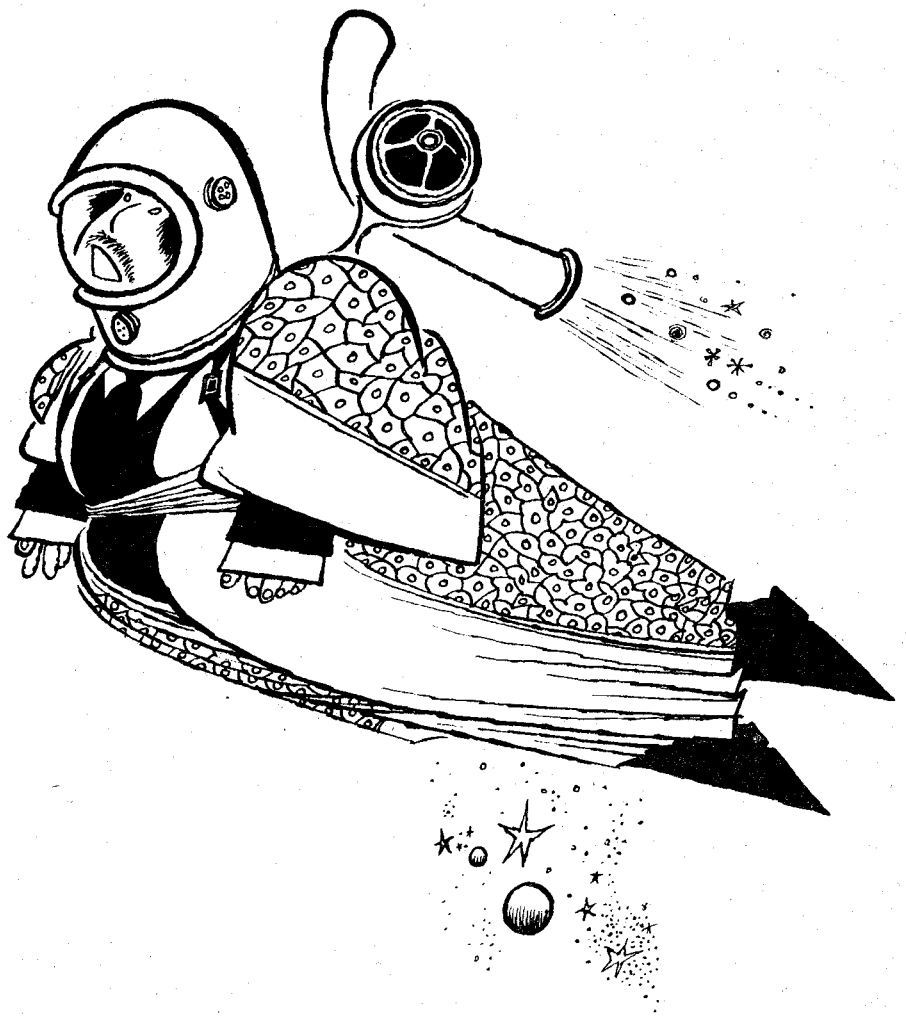
Kauffman had written a blistering indictment of the legislation. Kern disseminated it in high places and was adapting it as a *Newsweek* article, the memo reveals. Before publication, the article was studied by a number of foreign policy leaders, including Under Secretary of State Lovett (chairman of the finance committee of the Rockefeller Foundation), Royall, Draper and McCloy, who was later Chairman of the Chase Manhattan Bank and president of the World Bank.

In charge of orchestrating Kern's article with the clique's pro-*zaibatsu* campaign was Frank Wisner, a partner in Carter, Ledyard & Milburn, a law firm with a Rockefeller family connection.* As an O.S.S. officer, he had become the right-hand man of Allen Dulles in Germany after the war and had recruited the Nazi spy chief Reinhard Gehlen for U.S. intelligence. In October 1947, Dulles (then a Marshall Plan consultant) appointed Wisner assistant secretary of state for occupied areas, where Kern's *Newsweek* operation was active. Obviously, the position was a cover for Wisner, who emerged as de facto chief of the Office of Policy Coordination less than a year later. There, he created "Wisner's Wurlitzer," a global propaganda organ whose "assets" comprised an army of prestigious journalists.

The Carpetbaggers Take Over

The A.C.J. quickly began recruiting strategically placed Japanese to promote the interests of American business. A well-documented example of A.C.J. proselytizing occurred during John Foster Dulles's visit to Tokyo in June 1950 as President Truman's envoy. At a "very private" dinner arranged by Kern and Pakenham, Dulles was introduced to four Japanese. One was a high-level official of the Imperial Household Agency who served as a conduit to the Emperor. Another was a right-wing diplomat who became

* Partner Tracy Barnes had married an Aldrich heiress. Assisting Wisner, he played a leading role in the C.I.A.'s Guatemalan coup and became Richard Bissell's deputy in the Bay of Pigs campaign.



* Harriman and his family were influential at *Newsweek* as owners and directors. Harriman's relationship with Kern is apparent from the latter's statements and his correspondence with various public figures (e.g., the Dulles brothers, whose papers at Princeton contain many letters on affairs of state from "Harry").

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Japan's first representative to the United Nations. A third was an official of the National Rural Police who was preparing a plan for the clandestine transformation of that organization into a real army in defiance of the Japanese Constitution. The fourth was a liaison official from the finance ministry, Takeshi Watanabe, who became successively a director of the International Monetary Fund and the World Bank, president of the Asian Development Bank and chairman of the Japan Trilateral Commission, a post he held until recently. And what did he do to deserve such advancement? For one thing, he assisted the A.C.J.'s Kauffman in the arduous task of recovering the principal and the earnings on his American clients' prewar investments in Japan that had been impounded during the war—down to the last yen, Watanabe told me. The prime beneficiaries of this coup were corporate clients of the Dulles and Kauffman law firms, who were enabled thereby to profit from both victors and vanquished in the same war.

An intriguing sequel to the dinner occurred a few days later when the official of the Imperial Household Agency delivered a message for Dulles to Pakenham. Deploring MacArthur's purge of Japanese business leaders, the message proposed "a consultative, advisory group . . . consisting of experienced men of good will trusted alike by Americans and Japanese." The group was obviously intended as a clandestine channel between the two elites for conducting private diplomacy. Kern immediately relayed the message, which had been delivered orally, to Dulles, and provided a written version at Harriman's request. Kern's gloating reaction to the proposal, expressed in a letter, was that "such a group would, for almost the first time, give us the machinery for reaching those who really hold the power."

It was a prophetic statement, though self-fulfilling. In 1951, Dulles, the new chairman of the Rockefeller Foundation, returned to Tokyo to discuss final terms for a peace treaty on which he was briefed by the A.C.J. With him was John D. Rockefeller 3d (who was also a Dulles "adviser" later that year when the treaty was signed in San Francisco). Rockefeller explained to Japanese reporters that the purpose of the visit was to develop "long-range cultural relations between Japan and the U.S.A." With the Standard Oil group overtaking General Electric as the largest foreign investor in Japan, the ties certainly developed; Rockefeller-connected enterprises eventually grabbed the lion's share of Japan's crude oil market (now $60 billion a year), while exercising a virtual monopoly over cultural, educational and intellectual exchanges between the two countries through the Japan Society and its numerous appendages. (In 1977, Exxon was nailed by the Securities and Exchange Commission for having illegally paid $56 million to officials in Japan and other countries between 1963 and 1975.)

Power Structure of the Compradors

During its brief existence, the A.C.J. achieved the Japan lobby's main objective of reversing the U.S. government's official policy; it also helped set up a political machine that more than fulfilled its economic aspirations through Japan Inc., a quasi-corporate state. An important step was to shore up the unpopular regime of Prime Minister Shigeru Yoshida. In his recent *Empire and Aftermath*, John Dower characterizes Yoshida as "the most prominent figure associated with the reconsolidation of the conservative hegemony—the nexus of big business, bureaucracy and conservative politicians—which weathered the initial occupation reforms and became the pivot of real power in Japan after 1948."

That "pivot" was the *hoshu honryu* (conservative mainstream), which, with minor interruptions, has monopolized political power to the present day. Significantly, two of its Prime Ministers, the brothers Nobusuke Kishi and Eisaku Sato, were related to Yoshida, who had been extremely helpful to Grew during his ten-year sojourn in Tokyo. The Yoshida-Kishi-Sato triumvirate led more than half of the twenty Cabinets between 1947 and 1972, when Sato, after holding office for nearly eight years, was defeated by Kakuei Tanaka, also of the Yoshida mainstream. With few exceptions, the other prime ministers of the postwar period were graduates of the "Yoshida school," and all had more or less close ties with Japan lobby leaders both before and after being elected to office.

The power of the Japan lobby was demonstrated by its successful promotion of Kishi, who was an unattractive candidate because he had been munitions czar in the Tojo Cabinet and had been imprisoned after the war on suspicion of war crimes. However, he had also been Grew's close friend, and he became a protégé of Pakenham and Kern's after his release. By 1954, backed by a "good, sound monied crowd," in Pakenham's words,* Kishi had become secretary general of the strongest wing of the bifurcated conservative camp. Kern promoted him as the next prime minister through private communications and meetings with the Dulles brothers, inspired press coverage and personal introductions to leading financiers and statesmen when Kishi visited the United States.** After Kishi became Prime Minister in 1957, Kern allegedly exploited his influence, but by that time Kern was both a private business "consultant" and an intimate of Allen Dulles, so his possible motives are difficult to evaluate.

Kishi was succeeded by Hayato Ikeda, a protégé of both Yoshida and Yoshida's confidant William Draper. Ikeda was succeeded by Sato, who was also close to Yoshida and became a darling of the U.S. military industry. Tanaka was Sato's right-hand man throughout his long tenure as Prime Minister. It is intriguing to observe that Richard Allen was a Japan lobbyist in the 1970s and that his two closest Japanese associates, both rightist professors, were members of Sato's brain trust that handled two of the most sensitive issues of the period: the reversion of Okinawa to Japanese sovereignty and the "textile war." In the negotiations over the latter issue, Tanaka won Nixon's friendship by surrendering to U.S. demands and agreeing to "voluntary controls" on Japanese exports in 1971. It has been reported that Allen, while in the Nixon White House, leaked information useful to his Japanese clients, which included Nissan and Toyota, two of the *zaibatsu*'s most formidable corporate descendants.

However that may be, all the mainstream conservatives previously mentioned had been acquaintances of Kern's, whose long relationship with Japan's political leaders came to light in the Grumman scandal of 1978. That affair, which was muted in the U.S. press but created a sensation in Japan, was precipitated by an S.E.C. report and authoritative testimony indicating that Kern had been a "fixer" in military aircraft sales to the Japanese government

* Report from Pakenham to Kern, who handed it to J. F. Dulles in January 1954.

** Kern's own story, published serially in 1978 in the *Yomiuri Shimbun*, and from Kern's letters. (He was an inveterate name-dropper.)

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that could have netted him millions of dollars in secret commissions. His reported connections with C.I.A. figures fortified suspicions, aroused during the earlier Lockheed scandal, that bribery of Japanese officials by U.S. arms makers was a form of covert American funding of "friendly" politicians. This suspicion is consistent with statements of former Assistant Secretary of State Roger Hilsman (a C.I.A. veteran) and other intelligence officials that the agency routinely channeled funds covertly to Japanese politicians, especially when Kishi was at the helm.*

The Yoshida dynasty's means of self-perpetuation was "structural" (i.e., indispensable) corruption, and although Yoshida was personally honest, he was lenient to a fault with his associates. When his favorite pupil, Sato, was about to be indicted for his role in a major bribery scandal, Yoshida called the charge a "groundless rumor" and intervened with the justice minister to quash the indictment. As if in explanation, he said, "Party government would come to an end if it abided by the Political Funds Control Law."

The Tanaka Years

That brings us to Kakuei Tanaka, a recent Prime Minister who carried Yoshida's precept to such lengths that he lost his job and is now on trial for offenses related to the Lockheed bribery scandal. Tanaka had made a quick fortune in construction work for the U.S. forces and entered politics in 1947 under the aegis of a former minister in Tojo's Cabinet who was notoriously corrupt. Tanaka's career was soon interrupted when he was imprisoned for accepting a million-yen bribe, but things went smoothly after he was released. The Japan Development Bank, which controlled the $1 billion U.S. Aid Counterpart Fund, granted him a loan that enabled him to gain control of a railway company. Again, bribery was suspected, but the investigation was aborted. (The fund and the bank have been persistently linked with illegal political funding and other covert C.I.A. operations.) No less immune to the law was Tanaka's friend Kenji Osano, a barracuda of finance who allegedly made a black marketing fortune that was multiplied by perpetually renewed transport contracts from the U.S. armed forces.

A bulwark of the Tanaka-Osano team was their old friend Yoshio Kodama, a veteran of prewar rightist assassination plots who, as an agent for the Imperial Navy, amassed a huge fortune by looting in wartime China. Held with Kishi as a war crimes suspect, he too cheated the gallows and expressed his gratitude by making his talents available to American intelligence. Lavishing his wealth on conservative politicians, this underworld superpatriot developed such political muscle that he could reverse Cabinet decisions on military procurement. For that reason, he became a fabulously successful agent for Lockheed, allegedly receiving and presumably dispersing at least $12 million in secret payoffs over a period of twenty years. To be able to execute such capers, it was helpful for Kodama to have Tanaka and other henchmen in the government, and Osano as the largest individual investor in Japan's two biggest airlines; but it was even cozier to have the C.I.A. nodding its approval all the way.

Tanaka, very wealthy in his own right, also apparently had easy access to Osano's coffers. Osano owed some of his good fortune to Richard Nixon, who as a lawyer sponsored real-estate deals in the 1960s that have made Osano the biggest hotelier in Hawaii. Tanaka allegedly used Osano's largess to buy the prime ministership in 1972. (To accomplish this, Tanaka needed only to win a party presidential election, in which votes were for sale to the highest bidder, reportedly at $30,000 each—or a total of $10 million to $15 million to win the majority.) Later in the same year, Tanaka and Osano did their bit for the U.S. balance of payments by negotiating with President Nixon the purchase of Tristar airliners and Orion P3C antisubmarine patrol planes from Lockheed—a deal from which the manufacturer will eventually gross about $2 billion.

It was a sweet setup, but something went wrong. Watergate emboldened the Japanese press to expose Tanaka's labyrinthine finances in such detail that he was forced to resign. Then, in 1976, the Lockheed scandal struck. In the course of a devastating but carefully circumscribed investigation, the three "untouchables" were indicted on criminal charges. Some say that their

* See Ann Crittenden, *The New York Times*, April 2, 1976; Tad Szulc, *Asahi Shimbun*, April 23, 1976; and Jerome Cohen, *Asahi Shimbun*, October 1, 1974, among others. It is widely accepted that the leading conservative party was established with funds contributed by the underworld boss Yoshio Kodama, Kishi's close friend, whose connections with the C.I.A. have been frequently reported.

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prosecution was a backlash from Watergate, while not a few (including people close to Osano and Kodama) believe that some of the Lockheed boodle, intended for Japanese politicians, was "recycled" into Nixon's reelection fund.

Since all the original evidence and testimony in the case was gratuitously supplied by American sources, primarily the S.E.C., it is possible that some segments of Wall Street, the State Department or the intelligence community set out to "get" Tanaka, Osano and Kodama, who were the most prominent figures among those arrested, although many others, including two former prime ministers, were implicated. Whatever the case, the long-suffering voters were encouraged to believe that political reform was at hand.

Cabinet Crises

Alas, it was not to be. When challenged by their former benefactors, the entire conservative leadership stonewalled. Investigating committee hearings turned into a carnival of perjury, and despite overwhelming evidence of massive bribery, few politicians admitted their guilt.

After Tanaka's resignation Takeo Miki, an antimainstream "Mr. Clean," was allowed to form a Cabinet, but he was too zealous about reform and was soon jettisoned by a cabal of leaders of various factions in the party, all of whom were implicated in the Lockheed mess. Miki was succeeded by Kishi's scandal-scarred lieutenant, Takeo Fukuda, who in turn was succeeded by Ikeda's political heir, Masayoshi Ohira. In a crisis caused by Ohira's death last year, an inconspicuous elder of his faction, Zenko Suzuki, was handed the job because the strongest mainstream leader, Tanaka, was temporarily sidelined. But as the Lockheed trial approached its climax last summer, Tanaka's faction emerged as the largest, strongest and fastest growing in the party, dominating the present Cabinet and capable of dictating the composition of its successor. In November, Osano, surprisingly, was convicted of perjury, with no suspension of his two-year sentence. That misfortune clouds Tanaka's chances of acquittal, since they were both banking on the same trumped-up alibi, but Tanaka's faction continues to grow in numbers and confidence.

Tanaka cannot yet take command openly, but his anointed proxy will be a member of the same clique. Reportedly, Tanaka's favorite to succeed Suzuki is his deputy, U.S.-educated Susumu Nikaido, an old friend of the Nixon family who is said to be the Liberal Democratic Party politico with the closest ties to the Reagan Administration. He may fairly be called Osano's man. A prominent rival is Yasuhiro Nakasone, who, according to an L.D.P. Diet member, sold the votes of his forty-man faction for $2 million in the 1972 party election that made Tanaka Prime Minister. As a further reward, Nakasone was made Minister of International Trade and Industry, which enabled him to help his friend and mentor Kodama nail down the Lockheed Tristar deal. (Nikaido also was named by prosecutors as recipient of about $16,000 in Lockheed payoffs but was not indicted.)

A third strong aspirant is Toshio Komoto, an industrialist whose associate and "angel" is Ryoichi Sasakawa, a prewar ultranationalist satrap of Kodama's. An accused war criminal and avowed fascist, Sasakawa runs a uniquely privileged gambling racket, using some of the proceeds to finance various philanthropies—from mass organizations with covert ties to the C.I.A., the Korean C.I.A. and the Unification Church to a million-dollar UNESCO "peace-prize" fund and a $48 million endowment for the U.S.-Japan Foundation.

A younger aspirant is Shintaro Abe, Kishi's son-in-law and crown prince of the Fukuda faction. Kishi has been lying low during the Lockheed trials, but he is becoming active again and may use his friendship with Nixon as an entree. Also mentioned as a candidate is chemical magnate Tokusaburo Kosaka, whose father-in-law was an heir of the Mitsui clan. Although seemingly clean-handed himself, Kosaka recently saw fit to join the Tanaka faction. Like Kishi, Nikaido and Nakasone, he is politically indebted to American patrons.

In a Cabinet shuffle last November, Prime Minister Suzuki, Tanaka and Fukuda each had five members of their factions appointed as ministers, and the delicate balance of the mainstream elements was maintained. Nakasone and Komoto were awarded three slots each (counting themselves). An audacious move was the selection of Lockheed-tainted Nikaido for the pivotal post of L.D.P. secretary general, where he will be in charge of campaign funds. That position will enable him to promote Tanaka's rehabilitation and will improve Nikaido's own chance of succeeding Suzuki. Abe and Kosaka also received appointments, so they are in the running. Another significant ploy was the appointment of a justice minister who, though not a member of Tanaka's faction, is regarded as strongly influenced by Tanaka and likely to meddle in the ongoing prosecution of the Lockheed defendants on Tanaka's behalf. Perhaps the crowning irony was the appointment, in January, of Kishi as "supreme adviser" of the L.D.P.

The Invisible Government

Though hawkish, socially retrograde and tainted with corruption, this second Suzuki Cabinet is not conspicuously worse than its predecessors in recent years, and seems quite suitable for discharging the tasks at hand, the most urgent of which are: (*1*) to preserve party unity; (*2*) to maintain the confidence of Japanese big business by granting it legislative favors; (*3*) to win the approval of the United States by pushing for rearmament; (*4*) to regain the respect of the public by blocking any investigation of the Cabinet members' own malfeasance in office. Tanaka, by virtue of his boldness, his charisma and his unsurpassed ability to amass funds and win Cabinet posts for his faction, now controls nearly two-thirds of the L.D.P. members in the National Diet and can exert pressure on many more.

Of course, the ultimate power still lies with the plutocrats who supply the wherewithal for elections and political infighting. For example, the Federation of Bankers Associations, usually the most generous source of legitimate funds, cut off contributions to the L.D.P. for several months as a warning, but resumed payments in December as an expression of confidence in the new Cabinet. Big businessmen, on the whole, have expressed satisfaction with the Tanaka tilt, perhaps because it will perpetuate the "invisible government" that has served them so well in the past.

In the present Cabinet, as usual, there are a number of "insiders" who have shown their willingness to accelerate the arms buildup (quibbling only about the pace) in a trade-off for export privileges. Some have earned the confidence of leaders in Washington by conniving with them for decades in the secret introduction of U.S. nuclear weapons into Japan while piously assur-

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ing the public that such a thing couldn't happen. Tanaka, though not an extreme hawk, makes no bones about the fact that he will attempt to revise the Constitution to allow unbridled rearmament, and he scoffs at the present "1 percent of the G.N.P." limit on defense expenditures.

Such cooperation, reflected in the present steady if not spectacular military expansion, the voluntary controls on auto exports and the liberalization of import licenses as well as foreign exchange controls, has perhaps persuaded the Japan lobby in Washington and on Wall Street that its men in Tokyo, despite their unwonted argumentativeness, are basically as complaisant as the old *hoshu honryu* (hence the abrasive tone being taken by U.S. spokesmen in official negotiations). It may be assumed, however, that most of the big decisions have been made in advance, privately.

America's Proconsul

And so Japan, which now dominates most of Southeast Asia economically, serving as proconsul of the United States, will soon be sharing in its defense. This course meshes with the plans of the Pentagon, and the State and Treasury Departments because it will relieve America's defense burden in the Far East. It is also acceptable to the American *zaibatsu*, who are willing to make economic concessions to their Japanese counterparts in East Asia if the Japanese will spurn the almost irresistible proposals for joint development of Siberian resources that Moscow has been offering to them. It must be remembered too that East Asia is regarded as a very attractive market by American companies and joint ventures in Japan, of which there are thousands.

So far so good. But how about that "defense" of Southeast Asia? Defense against what? Many observers agree that it is not defense against Soviet expansionism, but rather against the specter of mass insurgency threatening repressive governments and foreign business. Has the world forgotten that Japan tried to justify its earlier aggression in Asia as a "holy war against Communism"? In some areas the military ran wild, but it fulfilled its main task of protecting the *zaibatsu*'s investments against "Communist" (actually anti-imperialist) rebels. By 1945, most of Japan's overseas investments were in the hands of the three old *zaibatsu*. Today, the situation is similar, and in Southeast Asia and Korea the percentage of the total Japanese stake held by *zaibatsu* descendants is overwhelming. Japan's present military forces, though conventional, are the sixth or seventh strongest in the world; they could easily become the third or fourth strongest with the addition of nuclear weapons.

Who will control tomorrow's mighty Japan Inc.? Probably the *hoshu honryu* and its unvanquished bosses, with the blessing of Superboss Hirohito, the more-than-symbolic Emperor. But Americans may not be sufficiently aware of the loss of face suffered by some of these leaders. Look at it from the culprits' point of view. If my interpretation of America's role in postwar Japanese politics is correct, dozens of politicians and businessmen, having been lured into corruption or virtual treason by the U.S. government, came to consider themselves untouchable. Then, unaccountably, they were exposed as scoundrels by their foreign patrons and harassed and humiliated at home. Among them, undoubtedly, are rancorous and vengeful men. True, they are not irreplaceable parts of Japan's complex power structure, but most of those who feel betrayed can reasonably expect to regain a considerable measure of authority over Japan, the second largest capitalist economy in the world, and over its burgeoning military forces. How will these men use their power? The popular tale of the forty-seven *ronin* (masterless samurai) tells us that the Japanese are good at simulating resignation, the better to avenge an old insult at an opportune time. It is possible that the rancor of the Lockheed *ronin* may, in the future, affect their attitudes toward the United States.

Prime Minister Suzuki, having been shown singular favor by President Reagan, is no problem. Tanaka and Fukuda, though bitter rivals for supremacy, are responsive to the Reagan team's rightist ideology and tolerance of corruption. Along with Kishi, Osano and Nikaido, they have personal links with the Republicans through Nixon, who himself spent a few years as a Japan lobbyist, including a stint as legal counsel for Mitsui & Co.

Kodama seems to be immobilized by the Lockheed trial, but his staying power should not be underrated. Kingmaker Sasakawa, implicated but unindicted in the recent scandals, has assembled his own claque of prominent American conservatives as sponsors of his new U.S.-Japan Foundation, which made its first cash awards in December. Despite some strident recriminations emanating from both sides, the economic and strategic goals of the two governments seem reconcilable as long as Reagan remains in power. But what would happen if the U.S. government swings back toward liberalism or, alternatively, toward isolationism and protectionism?

Rising Ultranationalism

It is likely that a number of the leaders of the conservative mainstream in Japan are disillusioned or embittered by their treatment at the hands of unnamed Americans who could strike again. It is also likely that their patrons in the Japanese business world, having been helped by the United States to expand production recklessly, are thinking hard (as the *zaibatsu* did in the 1930s) about future economic *lebensraum*. Meanwhile, the Japanese Self-Defense Forces, long held in low repute by the predominantly antimilitary public, are impatient to show their mettle. Finally, throughout the country, there are thousands of organizations assiduously cultivating nationalistic and militaristic ideologies among their millions of members, who range from gangsters and terrorists to veterans, religious fanatics and superpatriots. The members of many of the organizations are uniformed and trained in the use of firearms. Such elements are always looking for a chance to demonstrate their loyalty to the *kokutai* (national polity), which is inseparable from the imperial institution.

At present, there are few alarming symptoms. But these sectors would most likely become restive under an American alliance that curbed their country's economy, national ambitions or sovereignty. Under a foreign policy free from U.S. dominance, Japan could move in several directions. One possibility is that, with the Western powers in disarray, an insubordinate Japan could—on the pretext of defending its maritime lifeline—take a more aggressive stance in East Asia as in the days of the Co-Prosperity Sphere. Or, being adaptable and experienced in the region, they might contrive some means of improving relations with China and the Soviet Union simultaneously. But it is to be hoped that the cool heads managing Japan's complex economic empire so deftly will prevail over those who would seek extreme solutions. □

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The Conjurings of Japan

BRUCE CUMINGS

Whatsoever of morality and intelligence; what of patience, perseverance, faithfulness, of method, insight, ingenuity, energy; in a word, whatsoever of Strength the man had in him will lie written within the Work he does. . . . Produce! Produce! Were it but the pitifullest infinitesimal fraction of a Product, produce it, in God's name!

—Thomas Carlyle

Will you tell me how to prevent luxury from producing effeminacy intoxication extravagance Vice and folly?

—John Adams

The Japanese should have no concern with business. The Jap has no business savvy.

—Rudyard Kipling

Individual entrepreneurship can create the new work ethic that is so desperately needed in America.

—Jerry Rubin

Any reader perusing American mass media in 1981 would conclude that the United States is in crisis: a pervasive sense of decline from power, of fall from grace and of threats from afar marks almost all discourse. Our happy President smiles through it all, but he speaks of return, or revival of that lost past when America was Number One. A better barometer, *Business Week*, has run two special issues in the past year or so on the decline of America and the need for "reindustrialization." A hegemonic America expresses the natural order of things, or so it would seem. Today there is a disturber of that natural order: Japan.

Japan Incorporated does not play by the rules, critics say. It competes unfairly, it dumps goods in our markets and closes its own doors to trade, it is a country organized as a multinational corporation, it gets a free defense ride and screws us to boot. More than 120 years ago Marx noted that Americans, unable to conceive of rivalries in the world market as integral to the workings of capitalism, saw such conflicts "as soon as they appear on the world market as *English* relations," that is, as English distortions of the natural functioning of markets. Today, the distorter is Japan; it has become the all-purpose whipping boy of the American industrialist with red ink in his ledgers.

But not all American industries are in decline. Some flourish. Some industrialists pursue protectionism, others free trade. The waning of the steel, auto and textile industries is matched by the waxing of the high-technology communications and aerospace sectors. And so, some want to punish Japan and others wish to emulate it. Both views say more about their proponents than they do about Japan. Nor is this recent. For the past century, Western conjurings of Japan have expressed the problems of world competition for markets and of industrial decline. Historically, when industry is in trouble, Japan becomes a problem—although our industrialists would put it the other way round.

Free Trade and Japanophilia

Recent conjurings of Japan include Ezra Vogel's widely quoted book *Japan as Number One*. The author, chairman of the East Asian Studies department at Harvard, wishes to use the Japanese example to help Americans resolve the crises that beset them. The idea occurred to Vogel because, he writes, he had been "wondering what had happened to America," and because "Japan has dealt more successfully with more of the basic problems of post-industrial society than any other country." Vogel traces the Japanese "miracle" and the country's "successes" in various areas: consensual decision making, the role of the state, the political system, big corporations, education, welfare and crime control. His emphasis is on *conscious* choice: "Japanese leaders endeavored to select the best models" to guide them after the Meiji Restoration in 1868, and they have continued such consciously rational emulation ever since. Americans, too, the implication is, can consciously choose to stop protecting their obsolescent industries and imitate the Japanese in stimulating productivity and a strong work ethic.

One of the institutions Vogel particularly likes is the strong Japanese state, with its autonomous bureaucracy and its elite recruitment that provides "self-confident and dynamic leadership" that does not have to "toady" to outsiders—unlike an American President. Policy continuity is thus "unimpaired by elections, cabinet shuffles, or short-range political pressures."

The Japanese corporate world, Vogel writes, is organized by industrial sectors, thus maximizing cooperation. The only exceptions to this principle are the *zaibatsu*, which group various firms around large banks. Such combinations are not hindered by "rigid" antitrust laws, as they would be in the United States. Associations like Keidanren "represent big business with a thoroughness without peer in the world" but "are moved by broader goals" than simply the interests of big business. Big business "does not fully speak for farmers and laborers," to be sure, but it does "respond to the general interest" and work for "the long-term general good." Americans believe in fair *play*, while this system guarantees everyone a fair *share*—with the exception, of course, of resident Koreans, Ainu and assorted outcast groups. This too, however, is a virtue: "The Japanese have higher requirements for performance [than do Americans] before granting underprivileged groups equality."

Japanese workers, unlike Americans, take pride in their work, are loyal to their companies, and "seem to work even without the foreman watching," Vogel writes. A paternal, 'cradle-to-grave employment security system satisfies their wants and needs, and creates vertical hierarchies of such intense loyalty that workers sing the company song with hearty enthusiasm each morning. Unions willingly temper their demands and their members are content with their lot because there is "no rich capitalist class above them," only a managerial class. Despite worker affluence, "affluence has not ended hard work."

What lessons does Vogel think Americans can learn from this? First, they can understand the need for an industrial and trade policy, especially one that provides supports for high-technology industries and euthanasia for declining ones; second, the need for "a

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small core of permanent high-level bureaucrats" to provide administrative guidance to the state and the corporations; third, "a communitarian vision" to replace outmoded ideas from "our individualistic past," and finally, "an aggregation of interests" to end the immobilism and anarchy of an American politics beset by too many single-interest groups.

Lessons there may be in this book, but not necessarily the ones the author suggests. *Japan as Number One* is a revelation, all right—of Vogel as a free trader and a moralist, lamenting a golden era lost somewhere in the misty past when America organized a grand area in the world for free trade and great spaces at home where people *worked*: auto and steel factories, mines and schools. The author tells much about himself when he praises Japan for stemming the tide of egoism, nihilism and chaos, or when he inveighs against protectionism and argues for "an international division of labor in light of each nation's comparative advantages." Vogel has been to New York City, where dope addicts prowl the streets, awful graffiti festoon subway cars that barely work, kids shoot skag or sell their bodies and people of color congregate in bombed-out slums. And he has been to Tokyo, where steel sells cheap, autos are all the rage and the trains run on time. What he does not see is that in making this trip he has entered a time machine, carrying him back to an earlier America. Japan presents to us an image of our past, not our future, with its James Dean-like teeny-boppers, chopped and lowered Toyotas, hurrying men in gray flannel suits, widespread dependence on alcohol and Miltowns. Vogel wants to give us high-technology ideology, a tonic for American decline. But he also gives us, in spite of his protestations, a powerful rendering of the myth of Japan Incorporated, and yet another cycle in Western renderings of Japan and the lessons that can be learned from it.

Ideology Follows Technology

The phases of Japan's industrialization, whether we speak of the early textile period, the growth of heavy industry in the 1930s or the current emphasis on "knowledge" industries, have always been marked by strong state protection for nascent industries, the adoption of foreign technologies and the competitive advantages deriving from cheap labor costs, technological innovation and "lateness" in world time. In each phase (about 1900, 1935 and 1970, respectively), there was a bursting forth into world markets that always struck observers as abrupt and unexpected, thus inspiring both awe and admiration, and fear and loathing.

Early Western observations about Japan were much like Kipling's: Japan was tidy and clean, to be sure, but commercially backward. Thus, startled surprise greeted Japan's defeat of China in 1895 and, more important, of Russia in 1905. For Westerners accustomed to thinking in racial terms, the success of the Japanese against the Russians was all the more inexplicable because they were "yellow" and not white, although they eventually became honorary whites. At the turn of the century, Japan thus materialized as a Rorschach ink blot onto which Americans and Europeans projected their own hopes and fears. Missionaries began referring to "the untiring industry" of the Japanese: "All night long the sleepless sounds of labor are rampant and furious. This habit of ceaseless occupation extends to the very highest classes," Philip Lyttleton Gell wrote in 1904.

> I shall turn Japanese, for they at least can think, and be reticent! [Witness] their organization, their strategy, their virile qualities, their devotion and self-control. Above all, their national capacity for self-reliance, self-sacrifice, and their silence!

Silent and sleepless their work was, and highly organized as well. According to Jean-Pierre Lehmann:

> In one large hall of [Tokyo Commercial] School . . . a number of bays, or recesses, are labelled with the names of the principal mercantile centers of the world, and in each of these a number of students . . . taking the parts, respectively, of bankers, importers, exporters, brokers, insurance agents and shipping agents, carry on active, simulated international trade in strict accordance with the business usages of the places at which they are supposed to be dealing.

This was not the "economic animal" of the 1980s but Japan at the turn of the century.

Westerners usually attributed Japan's industrial success to a combination of sweated labor and shameless copying of foreign models, not realizing that they were simply echoing British myths of the 1880s about another late developer,

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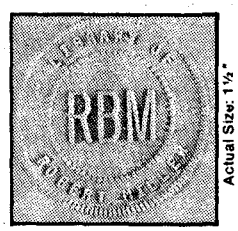

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Germany. Some, like Theodore Roosevelt, apostrophized Japanese virility and the samurai spirit; his friend George Kennan, elder cousin to our George Kennan, said that the Japanese annexation of Korea was justified by their military prowess and the civilizing mission they would doubtless soon undertake. A French writer, worried about "the competition of yellow labor," was less sanguine: even if at present (1905) "Nippon labor does not seem to be the cause of the depreciation of salaries" in the West, it would have this effect "if Japan, victorious over Russia and master of the Celestial Empire, organized Chinese labor."

British socialists also projected their fond hopes and sharp morals onto the Japanese. In 1897, they argued that Japan

> has proved to be the most formidable ground for the development of the *bacillus capitalisticus*. It is not yet thirty years since Japan emerged from its "grand revolution" . . . [but] the *bacillus capitalisticus* found there the most desirable conditions for its growth . . . especially plenty of extremely cheap labor.

Their prediction was that in the not distant future, "the *bacillus capitalisticus* will be killed by the *phagocitus socialisticus*." (The Japan Socialist Party opened its doors in 1901 and all its members were arrested within hours.)

Beatrice Webb, who, accompanied by her husband, Sydney, was not the most discerning of Fabian visitors to foreign lands, wrote in 1904 that Japan was "a rising star of human self-control and enlightenment." J. M. Winter has shown that on Beatrice's trip to the Orient in 1911 she found the Chinese and the Koreans to be "horrid" races. For Sydney, they were "lowly vertebrates" who "show us, indeed, what homo sapiens can be if he does not evolve." The Japanese, however, "shame our administrative capacity . . . shame our inventiveness . . . shame our leadership." Beatrice liked the "innovating collectivism" of Japan, and its "enlightened professional elite" with its "uncanny" purposefulness and open-mindedness. Here was the "benevolent bureaucracy of the future socialist state." (Japan swallowed Korea in 1910, and twelve Japanese socialists were executed for alleged sedition in 1911.)

Why were all these people lauding Japan in the first decade of the century? At a time of industrial decline in Britain, Colin Holmes and A. H. Ion argue, the British saw lessons in Japan's efficiency and productivity that might help them solve their internal problems. Alfred Stead entitled his 1906 book *Great Japan: A Study of National Efficiency*. There was no schizophrenia in the British attitude toward Japan because Germany could be the bête noire. It was regarded as a nasty strong state that resorted to protectionism, wicked copying, purloined technology and dumping. That is, Germany was for England what Japan is for our protectionists today: a combination of miracle and cheap tricks.

Thus the image of Japan in the West can turn on a dime. In World War I, it was a scheming jackal, enjoying a war boom and tripled exports; in the 1920s, it was the docile, free-trade, liberalized regime of the halcyon Taisho era, accepting its second-rate status vis-à-vis Britain and the United States. By the mid-1930s, however, with the world in a depression, protective tariffs everywhere and Japan embarking on a program of building up heavy industry, the Oriental menace was back. For liberal internationalists like Henry Stimson, the lament was that Japan, "with a tradition of original friendliness towards the U.S.," should have gone off the free-trade regimen and onto such a bender in Manchuria, destroying the "open door." For a British businessman in 1936, "the wily Jap [was] determined to stop at nothing in his efforts to bamboozle shoppers in this country" and was "STEALING OUR MARKETS!"; the Japanese workers "lived in hovels and ate rice" and worked for a pittance. (In 1979 a European industrialist referred to the Japanese as "workaholics . . . living in rabbit warrens.")

For Guenther Stein, who in 1935 wrote a prescient book with the ironic (for then) title *Made in Japan*, the country was a model of industrial efficiency that "might become the largest exporter in the world—and in a very short time" if its tariff walls were removed. Stein rightly saw in the growth spurt of the mid-1930s "the beginning of a new epoch in the industrialization of the world"; Japan had upset the balance of the world system, "and this is the real reason why other countries complain about her." Within Japan, however, the centralized policies of the mid-1930s were justified as they had been since 1868: by the requisites of harsh competition in a world that others dominated. According to the *Asahi Shimbun* in 1936:

> The chief object of [our] planned economy is successful competition in world markets through a complete industrialization of the country. . . . In the execution of the standardization of national life, which is quite economic in nature, some limitation may be placed upon the laissez-faire policy, but this is a world-wide tendency . . . [it] is not to be taken as the harbinger of a fascist regime.

(Also announced at the time was the birth of the Japanese auto industry: the first Datsun, a symbol of the "dawning new age," appeared in the Japanese marketplace, "which has long been dominated by Fords, Chevrolets, and other American cars.")

With Japan's attack on Pearl Harbor, of course, the aggressive tough image of the late 1930s was transmuted into racist stereotype. As *Life* said in December 1941, "The whole cartoon aspect of the Jap changed overnight. Before that sudden Sunday the Jap was an oily little man, amiable but untrustworthy, more funny than dangerous." *Time*'s issue of December 22 featured Adm. Isoroku Yamamoto on the cover, decked out in the hue of a moldering lemon, and gave readers instructions on how to tell Japs from Chinamen. By 1943, most of the characteristics that the Fabians had admired—the strong group life, the all-powerful state and "mindless" subordination to authority—were being used to explain why the Japanese were aggressors.

In the postwar era, Japan did not overly trouble the West until the late 1960s, and image and ideology softened greatly. In particular, scholars in the Japan field sharply revised the judgments of an earlier generation, so that the question to be answered changed from "Why did Japan fail?" to "How did it succeed?" Japan became an exemplar of successful (and non-Communist) modernization.

But by 1970, two specters haunted the world economy: a revived and efficient Japan and new protectionism. Furthermore, following President Richard Nixon's New Economic Program of 1971 (much of it directed at Japan), the ostensible American hegemon started sticking it to the allies. Japan experienced the so-called "Nixon *shokku*" (Americans had their own shock a few years later). A sense of unease and foreboding has marked Japanese-

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American relations ever since.

For nationalists like John Connally, the problem was Japanese competition. As Treasury Secretary he made numerous nasty comments about Japan ("Don't they remember who won the war?"), and in his stock campaign speech in the 1979 Republican Presidential primaries he argued that if Japan did not abide by "fair trade," well then "they could just sit in their Toyotas in Yokohama and watch their color TVs and leave us alone." For internationalists like Zbigniew Brzezinski and David Rockefeller (and their brainchild, the Trilateral Commission), the problem was how to integrate the new Japan into the world economy, in such a way that the "fragile blossom," as Brzezinski called it, did not turn into Tokyo Rose.

In the past couple of years, magazines like *Newsweek* have frequently used the phrase, "Japan, Inc.," and *Business Week*, while adopting the Japan Inc. label and asking whether Japanese "groupthink" is "conducive to invention" or only to mimicry, argues now that Japan is "the world's most successful industrial society." Once again, a combination of industrial waning here and waxing there has made Japan a problem. As the Japanese writer Etō Jun puts it:

> If a certain kind of American feels secure about a small, thinly-protected Japan, smeared with humiliation from defeat in war, that same American feels threatened by a proud and self-confident Japan which is making a successful comeback.

Is There a Japan Incorporated?

The answer to this question is twofold. First, there are certain enduring features of post-Meiji Japan that encourage foreign observers to attribute a unity of purpose and an apolitical, classless homogeneity to the Japanese state, society and economy, and to speak of a single actor, Japan, whose behavior resembles that of a corporation. But these features are by no means the result of rational choice, as Vogel would have it, nor are they recent. They emerge from feudal Japan and from the history of the past century. Second, far too many aspects of contemporary Japan clash with the unitary, homogeneous image to allow us to speak of a Japan Incorporated. There are social and economic classes, there is competition within and among industrial sectors, there is a dual economy, and the state and the corporations do not simply march hand-in-hand.

Since 1868, two key variables have influenced Japanese behavior and have imparted unique characteristics to the nation's political economy: position in the world economic system and the timing of industrialization phases. To put it concisely, Japan emerged as a modern state *late* in world time, and in one of the few remaining interstices in the late-nineteenth-century world system. The combination of Western imperial interest in Japan and the fact that the proximity of China diverted Western attention provided both a threat of colonial subjugation and breathing space within which to mobilize resources to meet the threat. Thus Japan's industrialization, as well as its various colonial and aggressive ventures, have had a frantic, even lathered, aspect about them; no people has been more aware of the costs and benefits of sharp competition in the world system. The Western threat and Japan's relative backwardness wonderfully concentrated the Japanese mind.

Japan's posthaste, "late" industrialization also led to labor shortages, especially in skilled jobs, causing a competition for workers among firms and leading to schemes of permanent employment. Nothing like the classic labor market where people sold their labor really emerged in Japan; instead, people sold themselves. As economist Gary Saxonhouse put this point:

> In Adam Smith's *Wealth of Nations*, it is alleged that when producers get together discussion will inevitably turn to the raising of prices. In Japanese . . . industry one might paraphrase this by saying whenever producers met the discussion inevitably turned to how the labor market could be most advantageously segregated, that is, how labor mobility among firms could be minimized.

Lateness also enabled Japan to witness the consequences, in Britain and elsewhere, of confronting rather than accommodating the demands of labor. Concessions wrung from capital in the West became dispensations granted from above in an ever-watchful Japan. The Meiji leaders and later political figures thus pre-empted much labor agitation, especially through job-security programs that avoided the extraordinary labor mobility—much of it lateral flight—that marked early industry in the West.

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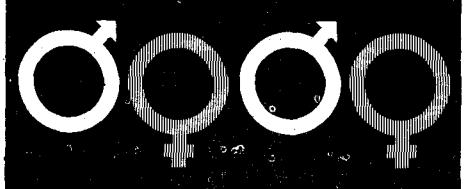

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Finally, of course, Japan's industrialization proceeded within a polity that in the past century has more often been authoritarian than democratic, an early exemplar of the bureaucratic-authoritarian industrializing regime, with its heavy military component, that we witness in South Korea, Brazil and Taiwan today. Labor unions and the left paid a heavy price, even during the halcyon Taisho democracy period, when progressive parties were frequently smashed and their members jailed. This, one hopes, is a lesson of Japanese development that our Japanophiles prefer not to mimic.

The paternal big corporation with its lifetime employment and company songs is a twentieth-century phenomenon in Japan, dating from about 1910, a time when Japan had ample labor pools in conquered Taiwan and Korea. After the liberation of these colonies in 1945, there was great labor ferment in Japan, and the American Occupation pushed through reforms that necessitated an accommodation between the Japanese government and labor. Thus many of labor's gains were the result of sharp conflict and the thoroughgoing social change that came with defeat and occupation. It cannot be said that such gains followed the earlier pattern of preemptive dispensations from on high. Here was the Japanese New Deal, much of it inaugurated by American New Dealers in the Occupation. The New Deal influence has endured through the prolonged economic boom that has characterized the period since 1950; accommodating of labor is always easier when wealth can be spread around. Hitachi, for example, has been able to assume for two decades that recession means only ceasing recruitment, not laying off workers. Japanese businessmen also frankly acknowledge the importance of recent, rising unemployment in disciplining the work force and moderating labor's demands in the annual "spring offensive." It remains to be seen whether Japan's New Deal will hold after the secular boom ends or whether, as in the United States today, forces will arise seeking to undo it. Once again Japan gives us not a view of our future but a window into our recent past.

Even today the model of paternal industry applies only to perhaps 30 percent of the work force—those employed by the 900 or so firms with more than 1,000 workers. The remaining 70 percent work in small factories or as self-employed or even unpaid family producers. This dual labor market is, according to economist Hugh Patrick, the most important single factor in keeping unemployment down. Small firms act as "elastic absorbers" of new entrants into the labor market and underemployed workers. The vaunted productivity of Japanese labor also depends on firm size: output per worker is much lower in the small firms, while the large firms employ less than a third of the work force yet produce 43 percent of gross value added.

Americans stand aghast, like the British at the turn of the century, when they witness Toyota employees singing the company song, wearing the company uniform and running back and forth along the assembly line as if driven by some mysterious force. They take this as the norm in Japan, which it is not; they take it to be supernatural, which it is not. Such loyalty derives from the existence of an absorptive smaller labor market where wages are much lower and job security more tenuous; from management's practice of accommodating the workers' demands rather than browbeating or firing them; from collective traditions that derive from the feudal period (and are therefore entirely alien to the United States), and from a receding but still remembered past when labor and the left were obliterated.

The dual and segmented labor market encourages workers to respond with vertical rather than horizontal solidarity; job security encourages technical innovation, since workers are not dismissed when a new technique displaces their labor. Collective solidarity runs up and down, encouraging a one-for-all mentality, and the history of excluding the left still makes it possible to buy off worker demands while closing off the left's access to the ruling coalition, state policy and national industrial strategy. Political scientist Alan Wolfe and others have argued that the American political system has been dominated by a party of accumulation and a party of legitimation since the 1930s. If these distinctions are valid, then in Japan one has the party of accumulation in power, various parties of legitimation that have never had more than a brief heyday of rule and a corporate structure that has accommodated and legitimated labor, both because it was forced to during the Occupation and because it has been convenient to do so through the secular boom. With such a structure, one would expect decades of one-party rule, which is of course what Japan has experienced since 1952.

What Lessons for America?

There is nothing more American, as Daniel Rodgers demonstrated in his fine book *The Work Ethic in Industrial America*, than to assume that if things are going wrong, people must not be working up to snuff, and to assume, in any given era, that there was a golden age not so far in the past when everyone labored with hale and hearty good will. As Rodgers and others argue, the problem today is not (as Jerry Rubin would have it) that we have no work ethic but that most workers have been rendered passive and dependent on big corporations and big bureaucracies, and that they have been encouraged to contribute to an expanding domestic market by consuming on credit rather than by saving in a bank. A surfeit of goods raises problems not of work but of leisure to use them; not of saving but of credit to buy them. By the 1930s, we had massed laborers, big corporations, a new salariate and a huge state bureaucracy. We still have this political economy, and each aspect in its own way renders people dependent, emptying out the core of the work ethic until it becomes, in Rodger's words, a husk concealing the lost virtues of a bygone past.

There has never been anything uniform about the American work force, in sharp contrast to Japan's. Split by race, ethnicity, region and industry, it has also been remarkably mobile. In the early years of this century, annual turnover rates in the garment industry were 200 percent; in Ford's new factories, as high as 300 percent. A huge continent provided opportunity for lateral mobility for the mass and upward mobility for the individual. It was the latter, of course, that became the prime justification for the new American dream: not transforming the workplace but moving up and out of it whenever possible. Immigrants supplied the new recruits for this irregular, mobile work force, as well as a reserve labor supply to discipline unions. The Taylorized factory had a raison d'être in addition to its efficiency: it was an organ of worker discipline as well, a means to control and uplift "slovenly" peoples.

This emphasis on control and discipline is still present in American industries like steel and auto-making. The adversary relations between worker and

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foreman in American factories shock the Japanese, as does the fact that owners can dismiss hundreds of thousands of workers in bad times and get away with it.

Japan's prowess as an industrial power is thus the logical outgrowth of its history, but it holds few lessons for American industry. Japan's success is highly contingent on a continued relationship with the United States in which Japan is far from an equal partner; the obverse side of this success is Japan's continuing dependency on the United States. Japan does not provide for its own defense. More than 70 percent of its oil is supplied by multinational oil firms, and more than 30 percent of its food comes from the American heartland. Furthermore, because of strong antinuclear sentiment in Japan, the government is not free to build a strong defense, which would mean entering the nuclear arms race. Thus Japan cannot break with America, and must remain suspended between autonomy and dependency. American interests recognize Japan's dual position. The free traders argue that Japan should not be pushed to spend more on defense, because the status quo both speeds a worldwide division of labor and keeps Japan dependent on the United States, while the protectionists and nationalists want Japan to spend more on defense so that its economy will be slowed down.

Because of Japan's dependency, it is subject not only to kicks in the shins but to blows in the solar plexus. The best example would be the quick American cave-in to OPEC in 1973 (with the aid, of course, of the Nixon-Kissinger relationship with the Shah of Iran). *The Economist* at the time said that one of the rumored reasons behind the cave-in was the desire for "a quick and easy way of slowing down the Japanese economy." The United States may be dependent on foreign oil, but its relative vulnerability is so much less than Japan's (or Western Europe's, for that matter) that it can benefit from allied adversity. In such a situation Japan's oft-stated preference is for America to be the hegemon, to provide the "single world authority" that guarantees the world structure within which Japan exists and competes. The United States should look after the whole and let Japan look after the parts. The problem of our time, of course, is that the United States can no longer look after the whole.

During the 1970s, both the Nixon parochial strategy and the Carter internationalist strategy failed to restore the American competitiveness, and failed in particular with regard to Japan. Nixon's 10 percent surcharge, "voluntary" textile agreements and other measures did not revive our declining industries, and Carter failed in his attempts to pressure Japan on automobiles, nuclear-reprocessing facilities and coordinated economic strategies. The Reagan Administration has veered in both directions, toward limiting auto imports and toward lifting restrictions on importing shoes and textiles. But all three Presidents were and are caught between nationalist and internationalist pressures. In the 1980s these conflicts will only worsen, and they will be particularly complex regarding Japan because, finally, Japan will begin competing with our high-technology industries: microprocessors, computers, maybe even aerospace. Japan is pushing into its third industrial revolution, with huge investments in the "knowledge industries." Hitachi, for example, is launching a major challenge to I.B.M. Some reports suggest that Japanese microchips already have lower failure rates than those made by American firms. In any case, even liberal free traders are beginning to charge Japan with "unfair" competition in these sectors.

Thus Japan will present a much tougher problem for American business and American policy in the 1980s. Liberal academics, including Ezra Vogel, are seeking to develop an ideology to go with the coming high-technology wars. America should have a stronger state, they say, less pluralism, more industrial policy, weaker antitrust laws, disciplined labor and a renewed work ethic. As part of this coordination at home, the new coalition of the state and big business should pursue growth in high-technology industry while systematically phasing out declining sectors.

We find such thinking echoed in a recent special issue of *Business Week*. George Eads of Carter's Council of Economic Advisers "feels there is probably too much pluralism" in America; *Business Week* quotes a Japanese pundit to the effect that "successful firms like I.B.M. and Texas Instruments don't have trade unions." Felix Rohatyn calls for a national industrial strategy, and Irving Shapiro, chairman of Du Pont, "observes that in Japan

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and Germany 'labor, industry and government work together as a team.'" The domestic agenda, for liberals, seems to be state capitalism.

Abroad, their hope is to maintain a free-trade regime, while seeking to render new allies (e.g., China) and old allies (e.g., Japan) more dependent. This can be done by requiring that Japan support American foreign policy and acquiesce in a new, American-directed quasi-united front embracing Japan and China, a division of labor directed against the Soviet Union. All in all, Japan must be hamstrung by various responsibilities so that its capacity for independent action—that is, its autonomy—will be lessened. That, in brief, is the agenda of multinational capital and liberal free trade.

The other possibility is that the Reagan Administration will use a less subtle approach. The agenda of the new nationalism would be to expand greatly defense spending, attack the Federal bureaucracy and bludgeon countries like Japan into shutting off certain exports and providing for their own defense. (Those who support these tactics would take *their* lessons from an earlier Japan.) Requiring Japan to boost defense spending and arms sales and perhaps to use its troops abroad in concert with American defenses would increase Japan's autonomy, at least in East Asia, but it would entail grave dangers as well. This approach seeks not to create a new beginning but to recapture the past; and it could be the wrong past. This is the nostalgic response, and indeed Washington today seems to be wrapped in a thick fog of nostalgia. Thus, the faint sense of anachronism one experiences when watching Japanese workers scurry about an assembly line is matched by the musty symbolism of a lost past that wafts through the President's speeches. The knowledge that we have heard it all before is not comforting. Instead, concern for both the American and the Japanese people in the years ahead calls forth an early *fin de siècle* foreboding. □

'CONTENTED' LABOR

Selective Paternalism

KATHLEEN MOLONY

In seeking to explain the Japanese success story, Western scholars, businessmen and journalists have suggested a number of causes. But a common theme in books like *Japan As Number One* by Ezra Vogel and *Theory Z* by William Ouchi, and television documentaries like NBC's 1980 White Paper, *If Japan Can . . . Why Can't We?*, is the harmonious relationship between labor and management. This is then contrasted with the situation in the United States, where labor and management are locked in an adversarial relationship. Workers in Japan, the experts tell us, are completely dedicated to the companies they work for; in return, the companies provide liberally for their welfare. Consequently, absenteeism is low, productivity is high and worker loyalty is total. The unemployment rate in this labor-management utopia rarely exceeds 2.2 percent, and as economist Lester Thurow wrote admiringly in *Newsweek* recently, workers are seldom fired, even when their companies are experiencing hard times.

Much of Japan's success, then, is attributed to a contented work force, good working conditions and an advanced system of labor relations. Three characteristics of the Japanese system are usually mentioned: lifetime employment, wage increases based strictly on seniority (which encourages longevity on the job) and strong (though "responsible") trade unions. But is it true that Japanese workers are better off than their American counterparts? A closer look at the evidence suggests that the system described so glowingly by American observers is considerably different from what actually exists.

In the first place, maintenance of this "ideal" labor situation actually demands a great deal of sacrifice by all workers, particularly the large majority who do not have lifetime jobs, who do not receive wages commensurate with their skills and training, and who do not belong to unions.

Only a minority of Japanese workers—mainly those employed by large firms—have guaranteed jobs for life. Last year, some 13.5 million persons (34.2 percent of the nonagricultural labor force) were employed in firms with fewer than thirty workers, compared with only 9.16 million persons (23.3 percent) employed in companies with more than 500 workers. Although some small firms do hire workers for life, most cannot afford to, because they are more vulnerable to fluctuations in the economy than large firms are. Even employees of small companies that are subcontractors for large corporations do not have regular, let alone permanent, status. Many small firms rely heavily on temporary employees who can be laid off when cost-cutting measures are necessary. Men and women employed by the large companies rarely change jobs, but workers in small and medium-sized firms do so frequently, for the same reasons Americans do: more money and better positions. Workers in small firms do not have the benefit of company training programs or the expectation of regular promotions. They are more liable to be laid off, they receive virtually no fringe benefits and they are paid less than workers in big business.

Another reason workers in small firms fare so poorly is that they are not unionized. Organized labor is concentrated in the largest concerns. As of June 1980, slightly more than 12 million people, or 30 percent of the labor force, belonged to unions, compared with 20 percent in the United States. The Japanese unions, representing workers who already receive superior fringe benefits, obtained a 7.7 percent wage increase for their members in the most recent "spring offensive" round of wage negotiations.

Double Standard

It should be clear by now that there is a two-tier labor market in Japan, and that the working conditions of those on the lower level are very different from the rosy view held in the West. Actually, the success of the system depends to a considerable degree on the peculiarly Japanese belief that it is acceptable, and even necessary, to "sacrifice" a large segment of the working population so that a select few may enjoy the benefits of the permanent employment system. And the brunt of the sacrifice is borne by women, who make up nearly 40 percent of the labor force.

Many of these women are recruited as soon as they graduate from school, as are most men, and they receive beginning wages that are only slightly lower than what the men receive. But here the

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similarity ends. Regardless of her educational background or experience, a woman enters a company on a different track than a man, and she receives only sufficient training to enable her to perform the menial tasks to which women are invariably assigned. She is not given the opportunity to work alongside her male colleagues in more challenging positions. This is because management expects—and indeed pressures—women to resign when they marry or when they have children. A young man, however, is assumed to be embarking on a lifetime career, and so the investment in his training is justified. Women have little incentive to stay in a company after they marry. Moreover, they tend to be concentrated in industries like textiles and clothing, or in wholesale and retail sales, where the pay scale is below average. Although female employees in these companies generally have full-time status, they are in fact temporary workers because they leave after a few years.

Many women do return to the labor force when they are in their 30s and their last child has entered school, but by then, they are far behind their male colleagues in seniority and wages. Even those who worked full time for large corporations are forced to accept temporary jobs in smaller firms. When these firms experience economic difficulties, temporary employees—mostly the older women returnees—are the first to be fired. The women return to the home and they are not counted as unemployed. As a result of these practices, women in Japan earn on the average less than 60 percent of what men make. Unions can offer little help since, as was previously noted, they represent chiefly the male employees of the big corporations and are unlikely to push for improvements in the working conditions of women.

A few women have successfully challenged these inequities in court, but by and large the system that denies them equal opportunities for advancement remains unchanged. Given the deeply entrenched Japanese belief that a woman's place is in the home, it is highly unlikely that female workers will ever secure positions in Japan's lifetime employment system.

The 'Lifetime' Myth

Even the minority of blue-collar and white-collar workers who do have lifetime jobs find drawbacks in the system. The loyalty that those employees give to their companies requires a commensurate sacrifice of independence. The worker must do the job his company assigns him, rather than the one for which he is best suited. The famous reluctance of many Japanese workers to take their allotted vacation time is due not to their happiness on the job but to their desire not to appear "selfish." And the early-retirement policies in Japanese industry (most workers must retire between the ages of 55 and 60) make "lifetime" employment a misnomer. Men who are cast aside while they are still productive may experience psychological stress and economic difficulties. Yet early retirement is built into the system because it enables companies to continue hiring from the large pool of qualified college graduates; it also eliminates the most highly paid employees—those who have worked the longest. After thirty years of loyal, diligent service, retirees receive a lump-sum payment, usually equal to about three years' pay, rather than a pension. This is scarcely enough to support the ex-worker and his family, and so he must seek another job. If reemployed by his former company, he usually takes a lesser job at a smaller salary. For this reason, many retirees try other firms, where they often end up in menial, poorly-paid jobs.

Retirees do collect pensions from the government, but these provide only for their basic needs. Indeed, Japan's high rate of private saving is partially explained by the inadequate retirement system. Japanese save for years to provide for their retirement because they are haunted by fears that they will not have enough money to live on. As in other industrial societies, the average life span has increased in Japan, and the number of retired people is growing at an alarming rate. Yet private concerns are reluctant to raise the mandatory retirement age or increase benefits. Instead, they prefer to shift the burden of caring for the aged onto the government. Given the requirements of a system that needs a steady turnover of older employees to make way for the young, private industry simply cannot do more for old people.

It should be clear by now that the stereotype of the contented, productive Japanese worker enveloped by a paternalistic corporation is false. The Japanese "model" for America is a flawed one, and we should ask not "If Japan can, why can't we?" but rather, "Why *should* we?" □

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HIGH-TECH MILITARIZATION

The Road to Rearmament

JON HALLIDAY

The Reagan Administration is fond of suggesting that Japan has been getting a "free ride" in military affairs, pointing to its relatively low military budget—$11.8 billion for 1982, or about 0.9 percent of the gross national product. Actually, since Japan ranks sixth in the world in military spending in absolute terms, the 0.9 percent figure is rather misleading. Japan uses highly idiosyncratic criteria that are not accepted by any other country to compute its military budget. If North Atlantic Treaty Organization criteria were used, the total would equal 1.5 percent of the G.N.P.—about $20 billion in 1982. Even this understates the true amount, since sizable expenditures on new weapons systems are hidden in nonmilitary sections of the budget (a fairly normal practice in other countries). For example, the development of rocket boosters is itemized under education because the work is being carried out at Tokyo University.

The United States is now pressing Japan to increase its military spending by about 15 percent annually. The Chinese are calling on Japan to double military expenditures. The Japanese government suggests a single-digit increase—about 7.8 percent. Some 60 percent of the current military budget goes for pay. In part this is due to the fact that a high proportion of Japan's forces is made up of officers and noncommissioned officers (nearly 70 percent of the land army, according to Soviet sources).

The increase in spending suggested by the Japanese government is not (so far) directed toward a major boost in the number of men in the euphemistically named Self-Defense Forces. By 1984, the government wants to bring the Ground S.D.F. (army) up to its authorized strength of 180,000 men, and to add 3,600 men to the navy's present complement of 43,092 and 1,783 men to the air force's 45,827. The additional spending would be used to purchase advanced weaponry.

In Japan, part of the debate about military spending focuses on revising the Constitution. The right and the center-right have tried to mobilize support for revision on the ground that it is "humiliating" to be governed by a Constitution imposed by a foreign power. The key clause, Article 9, does not, as often claimed, limit the size or the role of the armed forces; it expressly *forbids* Japan to have any military at all. In fact, it was the United States that first reinterpreted the clause during the Korean War (in which Japanese troops were deployed). Article 9 was subsequently further "revised" to permit the level of forces currently authorized, but there is a ban on sending soldiers abroad and a formal ban on exporting weapons.

The often incoherent and spasmodic way in which the U.S. military government imposed demilitarization on Japan after World War II ended has left plenty of room for campaigns to restore "traditional" institutions and practices—such as dating the years by the Emperor's reign and the reinstatement of the Yasukuni Shrine as the official Shinto memorial to the war dead. A few years ago the remains of Japan's executed war criminals, including those of wartime Premier Tojo, were reinterred at Yasukuni, and Prime Minister Masayoshi Ohira, a Christian, visited the shrine.

Military High Tech

Most of Japan's sophisticated military and aerospace equipment is currently either imported from the United States or manufactured in Japan under license from U.S. firms, which means not only high royalty payments to the patent holders but also high production costs, given the small quantities made. Two important issues mesh here. One is the role of military spending in the Japanese economy. The other concerns the ability of a country to develop a high-technology industry without a high-technology military sector. In countries like the United States, Sweden and Switzerland, the civilian and military sectors of the economy are symbiotically linked.

Conventional wisdom holds that low military spending (along with low expenditures for social services) has been crucial to Japan's exceptionally high postwar growth rates. But an alternative argument can be made that Japan missed out on the "Keynesian stage" in which military spending primes the economic pump. Given the world economic crisis, Keynesian theories of military spending might take on a new importance in Japan. The advantages of military spending are well known. Highly susceptible to often arbitrary government manipulation, including planned obsolescence, it is useful as an anticyclical and counter-recession tool. And, if the government desires to pay for it, a conscript army can serve to mop up unemployment, now running at about 6 percent in Japan according to the methods of calculation used in the West.

As for the relationship between advanced technology and military expenditures, almost all of the key sectors of high technology that have been targeted for expansion by the Japanese government, such as electronics, computers, semiconductors, lasers and new alloys, are military-related. As it is, the Japanese aviation industry makes 85 percent of its sales to the Defense Agency. Thus Japan's present emphasis on developing its "knowledge-intensive" high-technology industries pushes the economy very hard in the direction of more militarization. This would involve sophisticated weaponry for the air force and the navy rather than a larger army.

The debate over military spending is by no means settled. For one thing, the ruling party and big business in Japan are far from being Keynesians; moreover, Japan's budget deficit already represents the highest percentage of the G.N.P. among the member nations of the Organization for Economic Cooperation and Development. On the other hand, the virtual impossibility of maintaining its competitiveness in technology (much less streamlining its industry into a "knowledge-intensive" one) without widespread military application would dictate that Japan devote more effort to developing new weaponry. Japan currently spends a smaller proportion of its military budget on research than any other O.E.C.D. country—slightly more than 1 percent, compared with more than 10 percent for both France and Britain.

Jon Halliday is the author of A Political History of Japanese Capitalism *(Pantheon) and a member of the editorial board of* New Left Review.

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The Hole in the Doughnut

Japan's postwar imperialism has been described as "doughnut-shaped" by the Japanese political scientist Yoshikazu Sakamoto. Whereas most imperialist powers develop from a strong, highly militarized center, postwar Japan developed from a relatively demilitarized center in a ring of strength. This ring consisted of two segments. The first was the United States—not only its military power in the Pacific but also the strong U.S. forces stationed in Japan and Okinawa and the Seventh Fleet patrolling the surrounding waters. The second segment comprised the military dictatorships of South Korea and Taiwan. The huge armies of the United States, Korea and Nationalist China made it possible for Japan to remain relatively demilitarized. Writing less than two years ago, Sakamoto predicted that the "absent center" would not last, and now the pressures to fill the doughnut's hole have become nearly irresistible.

Japan's ability to achieve prosperity in the postwar years without a large military was made possible by the factors identified by Sakamoto and also by the fact that the structure of imperialism has changed enormously since World War II. Post-1945 imperialism was no longer a congeries of competing capitalist powers but rather a highly integrated and coordinated ensemble. Prior to 1945, Japan needed military strength to obtain (relative) economic power and political power. After 1945, Japan did not need military backing to secure its economic goals—and it did not need political influence, either. The United States provided the military underpinning for imperialism, and economic power has substituted for political power. Tokyo does not need a colonial governor in Seoul or Taipei.

The new elements in the situation are China's foreign policy and the advent of Reagan & Co. Tokyo had formed a de facto alliance with Peking and Washington well before Reagan took office. It is also part of another de facto tripartite alliance—Washington-Seoul-Tokyo. So far, these two alliances have not merged. China has vigorously encouraged anti-Soviet feeling in Japan, and it has also gone out of its way to flatter Japan (hence the fear among some Western strategists that Japan might "go Asian"). In February 1979, Deng Xiaoping stopped off in Tokyo en route from the United States to brief the Japanese government on his talks—the first time Japan had been so honored. Later that same year, then-Chairman Hua Guofeng went to Tokyo for the funeral of Prime Minister Ohira.

Proponents of further remilitarization in Japan have a broad, if diffuse, base of anti-Soviet sentiment on which to build. As Robert Whymant observed in the London *Sunday Times*, "The growing acceptance of Japan's military force is the result of careful cultivation of the 'Soviet threat' by ruling party politicians, businessmen, bureaucrats and defence experts." The central focus of this campaign has been the Soviet presence on the Kuril Islands to the north of Japan, which the Japanese refer to as the "Northern Islands" (implying that they are Japanese territory). The Russians have indeed beefed up their forces on these islands, one of which is only two miles from the coast of Hokkaido, but this buildup took place after Japan signed a treaty with China in 1978 which committed Japan to opposing "hegemony" (China's code word for the U.S.S.R.). Given that the Japanese claim to the islands is extremely weak, the U.S.S.R. has responded with restraint. China has given vociferous and unscrupulous support to Japanese revanchism.

Pressures to Rearm

Japan likes to describe its foreign policy as "omnidirectional"—a word brought in to replace "equidistant," which was clearly a misnomer. Japan knows full well that its low military profile after 1945 was necessary not only to its economic recovery but also to its winning acceptance among the East Asian nations that it had fought in World War II. Until recently, only the United States, apart from right-wing elements in Japan, was pushing for further rearmament. Now, with World War II more than a generation past, the constellation of pressures has changed. China has added its voice to that of the United States in urging sharply increased military spending to oppose the U.S.S.R.

What gives a particular twist to the situation is the current world economic crisis, which has seen a resurgence of anti-Japanese feeling in both the United States and Western Europe. The Japanese are aware that they are not well liked in America, and this sense of rejection complements the feeling among Japanese rightists that America "gave up" in Indochina and thus cannot be trusted to come to Japan's assistance in a crisis. The Japanese are also aware that the Reagan Administration's demands for higher defense spending are in part intended to induce Japan to buy more military hardware from the United States. One important strand in the complex debate concerns whether Japan should increase its purchases of U.S. equipment or invest more heavily in developing its own technology.

Some of us on the left have been accused of crying wolf over Japanese rearmament for years. And, to some extent, this accusation is fair, particularly in terms of the question of nuclear arms (Japanese, that is). But where is the line between being farsighted and being premature? When the London *Times* can write: "Clearly and unequivocally, [Japan] has cast off its pacifist foreign and defence policy," something *has* changed. In my view, Japan is more likely to make a fairly measured march toward the development of an advanced navy and air force than to rush headlong into building a huge land army. But the growth of a large high-technology arms

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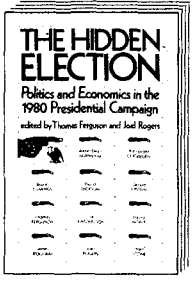
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industry is bound to have a number of negative effects. The arms sector will come to determine research priorities more and more (as it does in the United States and Russia). And the "restricted" domestic market is bound to create pressure for Japan to sell arms abroad and become a more active supplier of repressive regimes in the Third World.

The Reagan-Deng emphasis on the Soviet "threat" ignores the fact that Japan is extremely unlikely to become involved in a war with the Soviet Union. And the corollary to this is a failure to understand that increased Japanese military power might well mean increased authoritarianism and a greater subordination of industry to military priorities at home, and the application of technological power abroad—not to invade Japan's neighbors but to put muscle behind Japan's economic interests. These interests have so far not shown themselves to be exactly consonant with those of the peoples of Asia. □

L'ENVOI

The Ambivalent Menace

CHRISTOPHER HITCHENS

When the British Empire fortified Singapore against Japan prior to World War II, it pointed all its heavy artillery out to sea, never imagining that the foe would come down the Malay peninsula and take the city from the rear. Now, we have Japan's successful invasion of world markets, and all the while, American guns have been pointing the wrong way. In the obsession with being Number One vis-à-vis the Soviet Union, huge amounts of resources have been squandered and a vast amount of expertise has been diverted into wasteful military schemes. Suddenly, there is a new Number One to be worried about.

These reflections were prompted by an off-the-record seminar of the American Discussion Group on U.S. Policy Toward Japan, which convened on December 13, 1979, in Cambridge, Massachusetts. A kind friend thoughtfully provided us with an account of the proceedings.

According to our friend, the chief participants were Ezra Vogel, chairman of Harvard's East Asian Studies department and author of the best-selling *Japan as Number One*; Raymond Vernon, a professor at Harvard's Center for International Affairs, a well-known free-trader and author of such catchy titles as *Sovereignty at Bay* and *Storm Over the Multinationals*; Edwin Reischauer, longtime U.S. Ambassador to Japan and now back at Harvard, and Samuel Phillips Huntington, author of the celebrated Trilateral Commission report "The Crisis of Democracy" and, as author of the strategic hamlet program in Vietnam, no stranger to dealing with unruly Asians.

Vogel opened the proceedings with a lengthy ramble around the subject, chronicling Japanese achievements in the fields of trade, energy, productivity and labor discipline. This, as usual, made for an impressive litany. For some decades now, as Vogel sees it, the Japanese have looked up to the United States and down on the Southeast Asians, Koreans and other former inhabitants of their Co-Prosperity Sphere. But now the Japanese show every sign of abandoning their traditional deference.

To Vogel, the Japanese are capable of almost anything. Why, they have even invested in coal and uranium in Australia. And, just to bring it home to his Cambridge audience, Vogel told of meeting a Japanese who had engineered the donation of a million dollars to the Massachusetts Institute of Technology. The money came from the Tokyo government, which argued that by endowing a chair in such a place they would gain access to the most advanced deliberations on energy in the United States. Devilish cunning. Vogel warned the free-traders that further humiliation at Japanese hands would trigger a wave of protectionist sentiment in the United States. He mused about the chances of getting Japan to think responsibly about its allies. And, like all those who accuse the Japanese of "copying" American know-how, he recommended copying Japan. More tax incentives, less antitrust law, more cooperation between government and board rooms in the export drive. By these means, not only can steel, auto and semiconductor firms be saved but American prosperity in the coming decades can be underwritten.

Huntington chimed in at this point. He was rather more blunt in his assessment, arguing that Japan is more likely to turn against the United States if it feels weak than if it feels strong. His example was—Pearl Harbor. More intriguingly, Huntington counseled against fatalism, against what used to be called the myth of Japanese invincibility. Japan, he argued, is not as monolithic as it might appear. And, Huntington pointed out, Japan is heavily dependent on energy imports, food imports and American military protection. There is no objective reason for pessimism while this state of affairs persists. And who knows what openings there might be for "capitalizing" on "the differences that do exist" within the Japanese leadership?

Vernon then raised the trade issue more directly. He questioned whether or not the free trade system, to which he allowed he was still emotionally wed, could long endure. Granted that it had served us well, could we persist in simon-pure private enterprise? He hesitated to employ the dread words "autarchy" or "protection," but his import (to coin a phrase) was clear enough. We might be unable to do without them.

Reischauer, exercising the prerogatives of an ex-ambassador, acted as interpreter of the feelings of his former hosts. He spoke of their world view, their insecurities, their drift toward nationalism. And he stressed the dangers of American nativism, arguing that it would be just as ugly as, and much more dangerous than, its Japanese counterpart. As he saw it, the Japanese have as much difficulty figuring us out as we do making sense of them. Only they do not have, as we do, conflicts between Congress and the Presidency over foreign policy.

Throughout the discussion, all participants wavered between envy of the Japanese and fear of them. The two emotions are, of course, often twinned. The same ambivalence is to be found in most press coverage of the issue. Vogel made the best and final point. As much as the multinational elite in this country dreads Japanese economic success, it is absolutely terrified of Japanese economic failure. How, then, to find a policy that contests Japan without ruining it? At the primitive level of establishment discourse so far, it is hard to see such a nicely judged tactic emerging. □

Christopher Hitchens is a contributing editor of The Nation.

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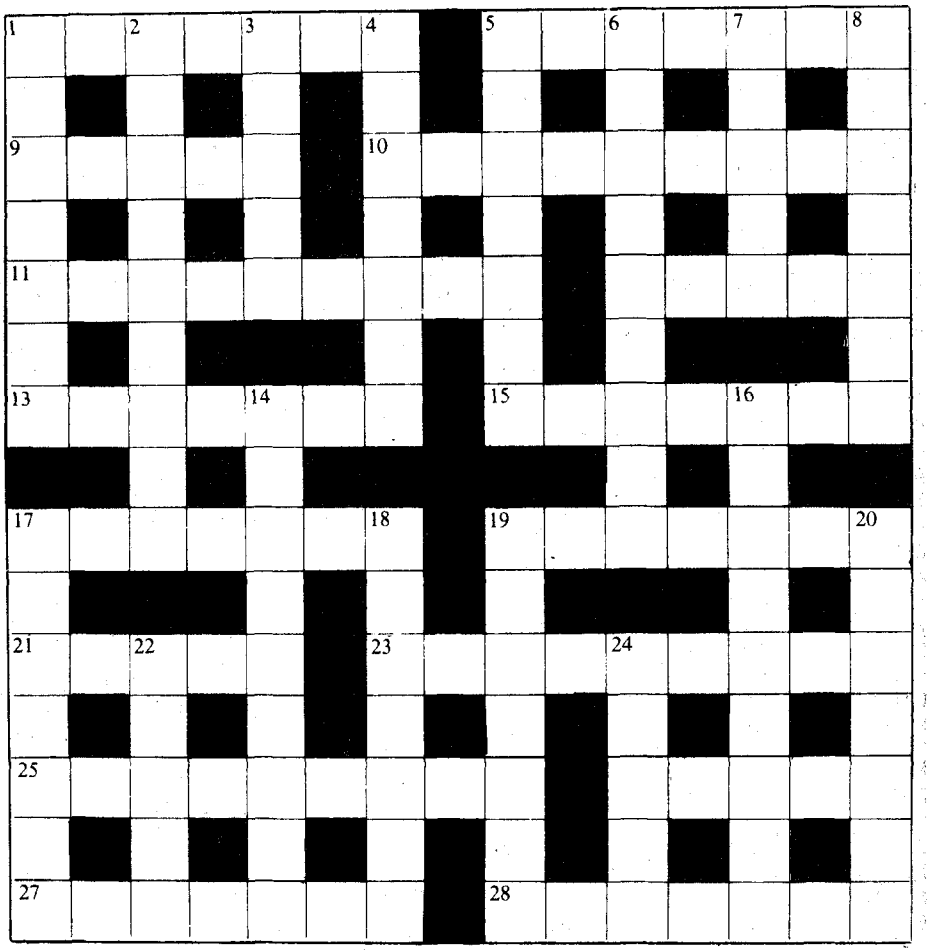

ACROSS

1 Give me a ring if you want class, having an individual speech sound. (7)
5 Wild life in the soft part of the stamen? (7)
9 and 10 Environmental problem—one is spoiled by it. (5,9)
11 A little talk to deter, possibly, what choppers did in the cold? (9)
12 Picture making in progress? This might hold it up. (5)
13 One can't have behaved unpardonably to be so. (7)
15 A rather simple cake might be seen to be so. (7)
17 This might make a rock weep, and last indefinitely. (7)
19 A meal at a restaurant might be so arranged. (7)
21 Become liable to this, and you won't expect to find true bloodlines so. (5)
23 Even green with this, perhaps, but having legal principles different women get right with it. (9)
25 A large bird in the sky? More properly described as a large animal. (3,6)
26 Frozen dessert? A nice beginning for the tribe! (5)
27 Communist leader? Could be improved with her dead! (7)
28 A charming one might be more logically associated with a bee. (7)

DOWN

1 Criticize what is painfully dull with a certain amount of flamboyance. (7)
2 You won't find many governors in such a state. (9)
3 Something that happens in 17 without getting seen. (5)
4 No longer valid, perhaps. (7)
5 Behaved badly after the carrier was stopped, coming up with a swollen area someplace near the mouth. (5,2)
6 Extremely disgusted when a UN sort gets put in the chair. (9)
7 Meets with an expression of approval, but such tones are cold. (5)
8 Caused some bitterness, because class standing came first? (7)
14 Grave and gloomy baseball team of lecherous men, by the sound of it. (9)
16 Familiarly a dollar turned by a tricky person, perhaps. (9)
17 Rose, perhaps—at least one made the ascent. (7)
18 Fifty-one with fifty pay with some difficulty 500 to make a combine bound to float. (4,3)
19 Drawn so, strangely enough, ahead. (7)
20 Comparatively unclean way to clear up the row. (7)
22 One is likely to be barred, if so. (5)
24 One is put in more fabric! (5)

SEE LAST WEEK'S SOLUTION AT LEFT

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